

**BISMARCK DIOCESE
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

The Most Reverend David D. Kagan
Bismarck Diocese
Bismarck, North Dakota

Opinion

We have audited the accompanying financial statements of the Bismarck Diocese (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Bismarck Diocese as of June 30, 2024, 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. 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 Bismarck Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Bismarck Diocese's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bismarck Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bismarck Diocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

April 15, 2025

BISMARCK DIOCESE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 1,606,303
Accounts receivable	346,700
Pledges receivable, net of allowance for doubtful pledges	365,070
Due from related parties	41,450
Prepaid expenses	203,829
Current portion of notes receivable	9,255
Total current assets	<u>2,572,607</u>

Property and equipment, net of accumulated depreciation	<u>533,219</u>
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Other assets

Notes receivable, net of current portion	<u>45,734</u>
Total assets	<u><u>\$ 3,151,560</u></u>

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$ 688,106
Due to related parties	25,798
Deferred passthrough	509,651
Deferred revenue	33,758
Total current liabilities	<u>1,257,313</u>

Other liabilities

Funds held for others	<u>351,934</u>
Total liabilities	<u>1,609,247</u>

Net assets

Without donor restrictions	(146,535)
Without donor restrictions - council designated	<u>1,688,848</u>
Total net assets	<u>1,542,313</u>
Total liabilities and net assets	<u><u>\$ 3,151,560</u></u>

See Notes to the Financial Statements

BISMARCK DIOCESE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

SUPPORT AND REVENUE

Contributions and bequests - God's Share	\$ 4,025,118
Distributions from The Diocese of Bismarck Trustee, Inc.	3,284,797
Department income	614,188
Admin fee revenue	555,398
Contributions and bequests - other	240,254
Rental income	172,180
Grant income	43,091
Distributions from Catholic Foundation	35,992
Insurance and other revenue	23,484
Investment income	3,942
Gain (loss) on sale of fixed assets	550
Total support and revenue	<u>8,998,994</u>

EXPENSES

Program services	
Pastoral	2,762,198
Religious personnel development	1,059,779
Education	908,359
Social services	417,011
Religious personnel services	311,448
Program administration	242,399
Total program services	<u>5,701,194</u>
Supporting services	
General administration	1,723,875
Fundraising	1,011,873
Total supporting services	<u>2,735,748</u>
Total expenses	<u>8,436,942</u>

CHANGE IN NET ASSETS 562,052

NET ASSETS, BEGINNING OF YEAR 980,261

NET ASSETS, END OF YEAR \$ 1,542,313

See Notes to the Financial Statements

BISMARCK DIOCESE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services									
	Pastoral	Religious Personnel Development	Religious Personnel Services	Education	Social Services	Program Administration	Total Program Services	General and Administration	Fundraising	Total Expenses
Salaries and benefits	\$ 1,092,774	\$ 250,100	\$ 152,437	\$ 76,845	\$ 324,002	\$ -	\$ 1,896,158	\$ 1,116,954	\$ 137,750	\$ 3,150,862
Dues, registration, professional development	195,676	158,439	5,656	135,770	13,424	-	508,965	118,399	843,919	1,471,283
Office expenses	655,428	19,845	9,612	162,711	17,532	-	865,128	126,066	10,826	1,002,020
Education	-	466,794	-	497,614	-	-	964,408	-	-	964,408
Professional fees	409,939	-	-	1,320	-	-	411,259	51,196	-	462,455
Miscellaneous	229,445	239	400	484	16,668	-	247,236	8,102	15,750	271,088
Funds released to programs	-	-	-	-	-	242,399	242,399	-	-	242,399
Food and groceries	39,414	88,231	17,597	21,837	17,604	-	184,683	9,935	61	194,679
Building, grounds, maintenance supply	7,542	-	5,168	-	18,000	-	30,710	103,884	-	134,594
Travel	25,810	73,053	3,074	9,360	1,417	-	112,714	10,693	-	123,407
Postage	101,909	2,418	-	1,032	1,044	-	106,403	9,016	3,567	118,986
Priest care	-	-	93,543	-	-	-	93,543	-	-	93,543
Depreciation	-	-	-	-	-	-	-	63,875	-	63,875
Insurance expense	-	-	9,734	-	-	-	9,734	48,408	-	58,142
Utilities	-	-	14,227	-	4,117	-	18,344	36,515	-	54,859
Telephone expenses	3,667	223	-	-	2,011	-	5,901	15,435	-	21,336
Bank and credit card processing fees	594	437	-	1,386	1,192	-	3,609	5,397	-	9,006
Total expenses	<u>\$ 2,762,198</u>	<u>\$ 1,059,779</u>	<u>\$ 311,448</u>	<u>\$ 908,359</u>	<u>\$ 417,011</u>	<u>\$ 242,399</u>	<u>\$ 5,701,194</u>	<u>\$ 1,723,875</u>	<u>\$ 1,011,873</u>	<u>\$ 8,436,942</u>

See Notes to the Financial Statements

BISMARCK DIOCESE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 562,052
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	63,875
(Gain) loss on sale of fixed assets	(550)
Effects on operating cash flow due to changes in:	
Accounts receivable	19,916
Pledges receivable	(21,585)
Prepaid expenses	(43,155)
Due from related parties	(40,564)
Accounts/pledge payable and accrued expenses	281,095
Due to related parties	25,798
Deferred passthrough	69,523
Funds held for others	40,797
Net cash provided (used) by operating activities	<u>957,202</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Principal repayments on notes receivable	4,525
Advances of notes receivable	(48,000)
Purchases of property and equipment	(482,886)
Proceeds from sale of fixed assets	550
Net cash provided (used) by investing activities	<u>(525,811)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

431,391

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD

1,174,912

CASH AND CASH EQUIVALENTS, END OF PERIOD

\$ 1,606,303

See Notes to the Financial Statements

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Organization

The Diocese of Bismarck (Diocese) was established December 31, 1909, and formally "erected" by Rome on March 21, 1910.

The Diocese encompasses 24 North Dakota counties over 34,000 square miles. The counties include:

Adams, Billings, Bowman, Burke, Burleigh, Divide, Dunn, Emmons, Golden Valley, Grant, Hettinger, McKenzie, McLean, Mercer, Morton, Mountrail, Northwest Bottineau, Oliver, Renville, Sioux, Slope, Stark, Ward and Williams counties.

Effective January 1, 2023, The Diocese of Bismarck implemented its effort to adhere to the ecclesiastical law of the Catholic Church. The ecclesiastical rights and responsibilities of The Diocese of Bismarck Trustee, Inc. (Trustee), formerly known as The Diocese of Bismarck, are now expressly stated. The same is now true for the Bismarck Diocese, a Public Juridic Person. (A Public Juridic Person (PJP) is a canonical legal entity explicitly established by ecclesiastical law). The Trustee holds bare legal title to stable assets of The Diocese of Bismarck Charitable Trust, including investments and property. The PJP is the Church's operating entity and is a beneficiary of the charitable trust.

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting. Under that basis, income is recognized when earned and expenses are recognized when incurred.

Financial statement presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, ("US GAAP"), codified by the Financial Accounting Standards Board (FASB).

Financial statement presentation follows the recommendations of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the PJP to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of PJP's management and the finance council.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the PJP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2024, the PJP did not have any net assets with donor restrictions.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Contributions

Under Accounting Standards Update (ASU) Topic 958, the PJP recognizes contributions when cash, securities or other assets, an unconditional pledge, or notification of a beneficial interest is received. Conditional pledges, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The PJP currently does not have any conditional promises to give.

Depending on the existence and/or nature of any donor restrictions, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a 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.

Revenue recognition

Under ASU Topic 606 the PJP recognizes revenue from management and accounting services provided to various entities, including the Catholic Foundation of Western North Dakota, the Trustee and the Parish Expansion Fund of the Diocese of Bismarck (Expansion). Management services include investment management, assistance with audited financial statements and disbursement of funds. Accounting services include monthly internal financial reports, investment schedules and related accounting data. Fees for these services are based off a percentage of the quarterly end market value and hourly rates for any incidental work provided. Admin fee revenue is recognized over time as the services are provided.

Department income is for accounting and payroll services provided to the parishes, Dakota Catholic Action (DCA) newspaper subscription income, and registration fees for conferences. The PJP will pay for expenses for conferences for the parishes and then are reimbursed by the parishes with no mark up. The accounting services are recognized over time as the services are provided. DCA subscriptions are purchased by the parishes and then are distributed out to all parish members. Revenue for these subscriptions is recognized over time as the newspaper is published and distributed. Registration fees are recognized at a point in time when the expenses that will be reimbursed are paid by the PJP.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets whose use is limited or restricted.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Accounts receivable and allowance for credit losses

Accounts receivable are made up of amounts due from parishes, admin fee receivables and other receivables due to the PJP. Accounts receivable is stated at the amount management expects to collect from balances outstanding at year-end less an estimate made for credit losses.

The allowance for credit losses is based on management's expectation of the credit losses expected to arise over the life of the asset as of the statement of financial position date (including consideration of prepayments), and is updated to reflect any changes in credit risk as of each subsequent reporting date. The PJP estimates its allowance for credit losses starting with an evaluation of historical credit loss write-offs, applied to an analysis of outstanding aged receivables, and updated for current economic conditions, and reasonable and supportable forecasted economic conditions. No significant adjustments to the allowance calculations for current or forecasted economic conditions were made during the current year. Receivables with unusual credit risk characteristics are evaluated individually. All other receivables are considered similar and are evaluated as one portfolio segment. Management's estimate of the allowance for credit losses, as well as the separate amounts of write-offs and recoveries were immaterial with respect to the financial statements as a whole as of June 30, 2024.

Receivables are written off as a reduction in the allowance for credit losses when deemed uncollectible. Recoveries of accounts previously written off (if any) will be recognized in income

Pledges receivable and allowance for uncollectible pledges

Pledges receivable are recognized when the donor makes a promise to give to the PJP that is, in substance, unconditional. Pledges receivable are carried at remaining pledge amount less allowance for uncollectible pledges and less discount to present value. Pledges are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded when received.

Unconditional promises to give (pledges) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in the contribution revenue.

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met.

Property and equipment, and depreciation

Property and equipment are stated at cost, for items purchased and fair market value at the date of the gifts, if donated. Fixed assets are being depreciated over estimated useful lives from 5 – 7 years, using a straight-line method.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

The PJP capitalizes purchases of property and equipment with a cost greater than \$5,000 and a useful life greater than one year, except for computer equipment which is capitalized at management's discretion. The PJP also capitalizes expenditures for major additions and improvements that extend the useful lives of property and equipment. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Income taxes

The PJP is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The PJP is deemed to be a church related organization and as such is not required to file an annual informational tax return to the Internal Revenue Service or the State of North Dakota.

The PJP's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence.

Deferred passthrough

Deferred passthrough includes amounts received from parishes for reimbursements of expenses that has not yet been paid for by the PJP.

Deferred revenue

Deferred revenue primarily includes remaining funds from a parish closure in Donnybrook, ND and restricted donations for special needs.

Functional expense allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are based on the actual direct expenditures and cost allocations based on estimates made by management.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Adoption of new accounting standards

The PJP adopted FASB ASC 326, *Financial Instruments – Credit Losses*, effective July 1, 2023. The impact of the adoption was not considered material to the financial statements, and no adjustment to beginning net assets was recorded. The new standard primarily resulted in enhanced disclosures only.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

NOTE 2 CONCENTRATIONS OF CREDIT RISK

Accounts receivable are due from Catholic parishes and associated individuals located in western North Dakota.

The PJP's cash and cash equivalents balances are maintained in various bank deposit accounts. The amounts on deposit are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. The PJP has not experienced any losses in such accounts nor does the PJP believe it is exposed to any significant credit risk on cash and cash equivalents accounts.

NOTE 3 REVENUE RECOGNITION IN ACCORDANCE WITH FASB ASC 606

Accounts receivable from admin fee contracts with customers were as follows:

	<u>6/30/2024</u>	<u>6/30/2023</u>
Receivables from contracts with customers - admin fee	\$ 95,141	\$ 64,593

Disaggregation of revenue for department income was as follows:

Registration fees	\$ 457,157
Dakota Catholic Action subscriptions	260
Accounting services	111,500
Miscellaneous	45,271
Total department income	<u>\$ 614,188</u>

NOTE 4 ACCOUNTS/PLEDGES RECEIVABLE

Accounts receivable and due from related parties at June 30, 2024 consist of the following:

Due from parishes for:	
Other receivables due from parishes	\$ 145,954
Property insurance	95,916
Accounting services and payroll	17,909
Priests health insurance	15,203
Total due from parishes	<u>274,982</u>
Admin fees receivables**	95,141
Other receivables	18,027
Total accounts receivable and due from related parties	<u>\$ 388,150</u>

**Admin fees receivables include amounts from due from related party.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

Pledges receivable at June 30, 2024 consist of the following:

Pledges receivable - God's Share	\$ 405,239
Allowance for doubtful pledges	(40,169)
	<u>\$ 365,070</u>

Pledges receivable - God's Share are due within one year or less.

NOTE 5 NOTES RECEIVABLE

Notes receivable at June 30, 2024 consist of the following:

Payor	Rate	Monthly Payment	Maturity Date	Maturity Balance	Security
Priest A	0.00%	(a)	(a)	\$ 1,310	Unsecured
Priest B	0.00%	100	9/1/2030	7,434	Unsecured
Priest C	0.00%	75	4/1/2025	745	Unsecured
Priest D	0.00%	500	(b)	15,500	Unsecured
Seminarian A	(c)	(c)	(c)	30,000	Unsecured
Total notes receivable				<u>\$ 54,989</u>	

(a) Notes receivable is for schooling costs. There are no formal terms.

(b) Priest who was called back to his home diocese by his Bishop. The status of the loan is to be determined.

(c) Note terms will be discussed after his expected ordination in 2031.

Future principal payments are as follows:

Year ending June 30,	
2025	\$ 9,255
2026	7,200
2027	4,700
2028	1,200
2029	1,200
Thereafter	31,434
	<u>\$ 54,989</u>

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

NOTE 6 PROPERTY AND EQUIPMENT

Land, buildings, and equipment consist of the following as of June 30, 2024:

	Cost	Accumulated Depreciation	Net
Technological equipment	\$ 538,757	\$ 519,438	\$ 19,319
Furniture and fixtures	711,335	676,023	35,312
Other equipment	147,868	143,704	4,164
Vehicles	151,794	83,436	68,358
Construction in progress	406,066	-	406,066
	<u>\$ 1,955,820</u>	<u>\$ 1,422,601</u>	<u>\$ 533,219</u>

NOTE 7 NET ASSETS WITHOUT DONOR RESTRICTIONS – COUNCIL DESIGNATED

Net assets without donor restrictions include net assets that have been designated by management and the Diocesan Finance Council includes:

Payroll reserve	\$ 821,431
Anita Tschida Estate	452,255
Loss retention	328,856
Rev. Thomas Kramer Estate Fund for Special Purposes	40,826
Human development	20,931
Binations	13,760
Deacon education	5,908
Summer program/Rev. M. Mullner search	5,828
Duppong Canonization Cause	(947)
Total	<u>\$ 1,688,848</u>

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

NOTE 8 LIQUIDITY AND AVAILABILITY

The PJP monitors its liquidity so that it is able to meet its operating needs and other commitments. The following table reflects the PJP's financial assets due within one year of the statement of financial position as of June 30, 2024, for general expenditures:

Cash and cash equivalents	\$ 1,606,303
Accounts receivable	346,700
Pledges receivable, net	365,070
Due from related parties	41,450
Notes receivable collectible within one year	9,255
Total financial assets	<u>2,368,778</u>

Less those unavailable for general expenditures within one year, due to:

Council designations	<u>(1,688,848)</u>
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Financial assets available to meet general expenditures within one year	<u><u>\$ 679,930</u></u>
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The PJP is mainly supported through God's Share Appeal donations. None of the financial assets are subject to donor restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The PJP has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The PJP will receive future distributions from the Trustee due to the corporate restructure. In the event of an unanticipated liquidity need, the PJP also could draw upon its line of credit or its council designated reserve funds.

NOTE 9 FUNDS HELD FOR OTHERS

The PJP serves as custodian for many collections in the Diocese. The normal function of the PJP in these cases is to collect and remit to the proper parties the proceeds from these collections.

NOTE 10 RETIREMENT PLAN

The PJP has adopted a deferred compensation 401(k) Retirement Savings Plan and Trust (Plan) for the exclusive benefit of all eligible employees and their beneficiaries. Employees are immediately eligible at hire to receive discretionary contributions to the Plan if the employee is of age 21, or upon reaching age 21. Employees are also permitted to make voluntary contributions up to a maximum amount set by the Federal Government, and a maximum amount and percentage allowable by the IRS. The PJP contributed 2% with up to a 4% match contribution. Retirement expense for the year ended June 30, 2024 was \$164,898.

BISMARCK DIOCESE
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2024

NOTE 11 RELATED PARTY

The PJP is affiliated with the Trustee and Expansion through some common Finance Council and Board members. Expansion provides lending and depository functions for the exclusive benefit of the parishes and schools of the Roman Catholic Diocese of Bismarck.

The PJP has \$1,450 due from Expansion as of June 30, 2024. During the year ended June 30, 2024 the PJP charged Expansion \$106,011 for admin fees.

The PJP has \$40,000 due from the Trustee and owes the Trustee \$25,798 as of June 30, 2024. During the year ended the PJP charged the Trustee \$40,000 for admin fees and received \$3,284,797 in distributions from the Trustee.

NOTE 12 LINE OF CREDIT

The PJP has a \$3.5 million unsecured line of credit available with Bravera Bank. Interest is due monthly with an interest rate equal to U.S. Prime Rate. The line of credit matures on January 1, 2026. On June 30, 2024, there was no outstanding balance on this line of credit.

NOTE 13 COMMITMENTS

In April 2024, the PJP entered into a contract for the construction of a house on the Raymond St property. The total remaining balance for the construction contract is \$467,120 as of June 30, 2024.

NOTE 14 INCOME TAXES

It is the opinion of management that the PJP has no significant uncertain tax positions that would be subject to change upon examination. The PJP is not required to file form 990 or form 990-T.

NOTE 15 SUBSEQUENT EVENTS

No significant events have occurred subsequent to the PJP's year-end. Subsequent events have been evaluated through April 15, 2025, which is the date these financial statements were available to be issued.

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Most Reverend David D. Kagan
Bismarck Diocese
Bismarck, North Dakota

We have audited the financial statements of the Bismarck Diocese as of and for the year ended June 30, 2024, and our report dated April 15, 2025, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Changes in Net Assets without Donor Restrictions – Council Designated, and Schedule of Changes in Funds Held for Others are presented for the purposes of additional analysis and are 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.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

April 15, 2025

BISMARCK DIOCESE
SCHEDULE OF CHANGES IN NET ASSETS
WITHOUT DONOR RESTRICTIONS – COUNCIL DESIGNATED
FOR THE YEAR ENDED JUNE 30, 2024

	Balance 6/30/2023	Transfers/ Additions	Transfers/ Disbursements	Balance 6/30/2024
Payroll reserve	\$ 694,125	\$ 127,306	\$ -	\$ 821,431
Anita Tschida Estate	496,523	620	44,888	452,255
(1) Loss retention	495,230	307,541	473,915	328,856
Rev. Thomas Kramer Estate Fund for Special Purposes	75,826	-	35,000	40,826
Human development	20,907	24	-	20,931
Binations	17,986	18,625	22,851	13,760
Deacon education	4,940	1,208	240	5,908
Summer program/Rev. M. Mullner search	7,122	1,257	2,551	5,828
Vocations	4,094	16,731	20,825	-
Duppong Canonization Cause	(77)	8,040	8,910	(947)
	<u>\$ 1,816,676</u>	<u>\$ 481,352</u>	<u>\$ 609,180</u>	<u>\$ 1,688,848</u>

The purpose of these designations are as follows:

- (1) This designation includes the net activity of the diocesan Offices of Insurance, Parish Resources and Internal Audit. These three offices are in place for risk mitigation at the parish level. For the Office of Insurance it reflects the diocesan fee charged to parishes for insurance, operation of that office and deductibles on insurance claims; for the Office of Parish Resources it reflects the net amount of charges to individual parishes for accounting/payroll services and operation of that office; for the Office of Internal Audit it reflects the operation of that office.

BISMARCK DIOCESE
SCHEDULE OF CHANGES IN FUNDS HELD FOR OTHERS
FOR THE YEAR ENDED JUNE 30, 2024

	Balance 6/30/2023	Additions	Transfers/ Disbursements	Balance 6/30/2024
L-T Care Fund - Priest	\$ 178,566	\$ 278,216	\$ 225,756	\$ 231,026
Holy Land Collections	48,154	83,018	63,526	67,646
Operation Rice Bowl	35,844	43,286	42,356	36,774
Mass Stipends Fund	17,354	13,710	13,140	17,924
Indian and Black Missions	6,234	27,107	26,005	7,336
Max's Mission	7,040	3,470	6,350	4,160
Women's Lenten Retreat	2,385	6,496	6,496	2,385
Catholic Leadership	1,310	-	-	1,310
National Religious Retirement Office	2,594	39,551	41,179	966
Miscellaneous	108	25,362	24,924	546
Propagation of Faith	398	33,497	33,668	227
Peter's Pence Collection	1,029	27,837	28,812	54
Archdiocese Military Service	1,581	995	2,556	20
Campaign for Human Development	-	970	970	-
Bishop Ryan High School	6,623	1,980	8,603	-
ND Catholic Charities Collection	-	8,769	8,769	-
Disaster Relief Fund	1,798	342	4,204	(2,064)
Corazon Fund - Family Ministry	119	4,127	20,622	(16,376)
Total	<u>\$ 311,137</u>	<u>\$ 598,733</u>	<u>\$ 557,936</u>	<u>\$ 351,934</u>