

**THE DIOCESE OF BISMARCK TRUSTEE, INC.
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	15
Schedule of Changes in Net Assets without Donor Restrictions – Council Designated	16

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The Diocese of Bismarck Trustee, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities 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 Diocese of Bismarck Trustee, Inc. 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 Diocese of Bismarck Trustee, Inc. 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 Diocese of Bismarck Trustee, Inc.'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 Diocese of Bismarck Trustee, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Diocese of Bismarck Trustee, Inc.'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

March 25, 2025

THE DIOCESE OF BISMARCK TRUSTEE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 2,043,713
Accounts/pledges receivable, net of allowance for doubtful accounts	762
Interest receivable	48,645
Due from related parties	125,798
Investments	28,377,724
Mutual investment	260,951
Current portion of notes receivable	15,087
Total current assets	<u>30,872,680</u>

Land and buildings, net
of accumulated depreciation

7,868,239

Other assets

Notes receivable, net of current portion	<u>80,225</u>
Total assets	<u><u>\$ 38,821,144</u></u>

LIABILITIES AND NET ASSETS

Current liabilities

Related party payable	\$ 40,035
Deferred revenue	991,294
Total current liabilities	<u>1,031,329</u>

Other liabilities

Annuities payable	<u>2,083,554</u>
Total liabilities	<u>3,114,883</u>

Net assets

Without donor restrictions	34,303,702
Without donor restrictions - council designated	<u>1,402,559</u>
Total net assets	<u>35,706,261</u>
Total liabilities and net assets	<u><u>\$ 38,821,144</u></u>

See Notes to the Financial Statements

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

SUPPORT AND REVENUE

Net realized and unrealized gain on investments	\$ 2,599,019
Distributions from Catholic Foundation	2,300,395
Contributions and bequests - other	1,138,114
Mineral rights lease and royalty revenue	1,136,901
Investment income	398,901
Department income	4,000
Gain (loss) on sale of fixed assets	(443,385)
Total support and revenue	<u>7,133,945</u>

EXPENSES

General administration	
Distributions to the Bismarck Diocese	\$ 3,284,797
Depreciation	201,932
Professional fees	148,417
Funds released to programs	48,528
Administrative fees	40,000
Bank and credit card processing fees	1,257
Office expenses	12
Total expenses	<u>3,724,943</u>

**NET CHANGE IN NET ASSETS WITHOUT
DONOR RESTRICTIONS**

3,409,002

**NET ASSETS WITHOUT DONOR
RESTRICTIONS, BEGINNING OF PERIOD**

32,297,259

**NET ASSETS WITHOUT DONOR
RESTRICTIONS, END OF PERIOD**

\$ 35,706,261

See Notes to the Financial Statements

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

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 3,409,002
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	201,932
(Gain) loss on sale of fixed assets	443,385
Realized and unrealized (gain) loss on investments	(2,336,691)
Change in equity in the undistributed (gain) loss on mutual investment	(38,936)
Effects on operating cash flow due to changes in:	
Accounts/pledges receivable	1,180
Interest receivable	710
Due from related parties	(25,798)
Accounts payable and accrued expenses	19,115
Deferred revenue	8,721
Due to related parties	35
Net cash provided (used) by operating activities	<u>1,682,655</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(2,502,990)
Proceeds from sale of investments	3,885,964
Purchases of property and equipment	<u>(2,082,567)</u>
Net cash provided (used) by investing activities	<u>(685,302)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS 997,353

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 1,046,360

CASH AND CASH EQUIVALENTS, END OF PERIOD \$ 2,043,713

SUPPLEMENTAL DISCLOSURE

Schedule of Noncash Transactions	
Increase (decrease) in annuities payable and investments	\$ 223,392

See Notes to the Financial Statements

THE DIOCESE OF BISMARCK TRUSTEE, INC.
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.

Financial statement presentation follows the recommendations of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the Trustee 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 Trustee. These net assets may be used at the discretion of the Trustee's management and the Diocesan 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 Trustee 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 Trustee did not have any net assets with donor restrictions.

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

Contributions

Under Accounting Standards Update (ASU) Topic 958, the Trustee recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, 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 Trustee 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.

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.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

The Trustee recognizes gains, losses, and ordinary income on investments in the designation or restriction owning the investment. It is the policy of the Trustee to include restricted investment income, whose restrictions are met in the same reporting period, as unrestricted investment income.

Mutual Investments

The mutual investment includes the Catholic Umbrella Pool II (CUP II) investment, which is a self-insurance program for certain dioceses of the Roman Catholic Church. Participating dioceses share in the operating, investment income and expenses of the pool based on their contributions for each fiscal year. Participants are responsible for claims and claim expenses incurred during fiscal years in which they participate in the pool. CUP II does not have a readily determinable fair value and is recorded under the cost method. The Trustee records their share of the pool at its original cost, adjusted annually for the earnings of the pool (received as dividends), premiums paid, and claims paid on behalf of the Trustee.

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

Accounts Receivable

Accounts receivable are uncollateralized obligations due under normal trade terms requiring payment within 30 days from the invoice date. The receivables are non-interest bearing. Payments on accounts receivable are applied to the earliest unpaid amounts, unless specifically identified. The carrying amount of the accounts receivable is reduced by an amount that reflects management's best estimate of the amounts that will not be collected.

Fair value measurements

US GAAP established a framework for measuring fair value which applies to all assets and liabilities that are being measured and reported on a fair value basis. It defines fair value, establishes a framework for measuring fair value in accordance with US GAAP and expands disclosure about fair value measurements.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are carried at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The application of valuation techniques applied to similar assets and liabilities has been consistently applied. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investments

The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Annuities payable

The Trustee enters into written gift annuity agreements and agrees to pay to the donors an annuity on a monthly, quarterly, semi-annual, or annual basis beginning on a set date and for the lifetime of the donor and/or their designated beneficiaries. The Trustee is discharged from payment of the annuity upon the death(s) of the designated recipient(s). The balance of the donated funds is then distributed to the organization described in the gift annuity agreement. Annuities payable are valued based on the fair market value of the underlying investment(s) reduced by the cash flow of estimated payments to the donor based on their expected life.

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

Land and buildings

Land and buildings 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 – 75 years, using a straight-line method.

The Trustee capitalizes purchases of land and buildings with a cost greater than \$5,000 and a useful life greater than one year. The Trustee also capitalizes expenditures for major additions and improvements that extend the useful lives of property. Routine expenditures for repairs and maintenance are charged to expense as incurred.

Deferred Revenue

Deferred revenue includes deferred annuity benefits.

Income taxes

The Trustee is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Trustee 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 Trustee'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.

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.

NOTE 2 CONCENTRATIONS OF CREDIT RISK

The Trustee'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 Trustee has not experienced any losses in such accounts nor does the Trustee believe it is exposed to any significant credit risk on cash and cash equivalents accounts.

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 3 NOTES RECEIVABLE

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

Payor	Rate	Maturity Date	Balance	Security
Church of Christ the King School Promissory	2.99%	12/1/2029	<u>\$ 95,312</u>	Unsecured

Future principal payments are as follows:

Year ending June 30,	
2025	\$ 15,087
2026	15,360
2027	15,825
2028	16,305
Thereafter	<u>32,735</u>
	<u>\$ 95,312</u>

NOTE 4 INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2024:

	Cost	Fair Value
Equities	\$ 3,565,965	\$ 8,659,901
Mutual funds	363,509	363,509
Fixed income	5,411,848	5,211,648
Other	14,142,666	14,142,666
	<u>\$ 23,483,988</u>	<u>\$ 28,377,724</u>

The Trustee had a realized gain of \$1,277,696 and an unrealized gain of \$1,321,323 for the year ended June 30, 2024, as shown below.

Unrealized gain (loss) from general account	\$ 36,621
Unrealized gain (loss) from Catholic Extension	<u>1,284,702</u>
Total unrealized gain (loss)	1,321,323
Realized gain (loss) from general account	917,743
Realized gain (loss) from Catholic Extension	281,163
Catholic Extension contributions	35,502
Non-cash tax cost adjustment	4,354
CUP II investment change	<u>38,934</u>
Total realized gain (loss)	1,277,696
Total unrealized/realized gain (loss)	<u>\$ 2,599,019</u>

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 5 FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value on a recurring basis as of June 30, 2024 are summarized as follows:

Description	Total Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 8,659,901	\$ 8,659,901	\$ -	\$ -
Mutual funds	363,509	321,768	41,741	-
Fixed income	5,211,648	-	5,211,648	-
Other	14,142,666	-	14,142,666	-
Total investments at fair value	<u>\$ 28,377,724</u>	<u>\$ 8,981,669</u>	<u>\$ 19,396,055</u>	<u>\$ -</u>
Annuities payable	<u>\$ 2,083,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,083,554</u>

The following table sets forth a summary of changes in the fair value of the Trust's Level 3 financial instruments which consist entirely of annuities payable for the year ended June 30, 2024:

Balance, beginning of period	\$ 1,860,162
Additions	343,845
Payments	<u>(120,453)</u>
Balance, end of period	<u>\$ 2,083,554</u>

Qualitative information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Trustee's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs.

Instrument	Fair Value	Principle Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
Annuity Payable	\$ 2,083,554	Discounted Cash Flow	Discount Rate	4.1% - 23.7%	6.90%

NOTE 6 CATHOLIC UMBRELLA POOL II MUTUAL INVESTMENT

The Trustee purchases liability insurance coverage from the Catholic Mutual Group (CMG) located in Omaha, Nebraska. On July 1, 1989, CMG created an excess liability pool called the Catholic Umbrella Pool II (CUP II). The Trustee is a charter member of CUP II. The primary purpose of the pool was to provide a self-insurance fund for small or medium sized dioceses for the Roman Catholic Church in North America. CUP II provides approximately 50% of an additional \$4 million layer of liability insurance coverage for the 61 participating dioceses. In addition to the above coverage, CUP II has a 5% participation for coverage in excess of \$1,500,000 up to \$5,000,000 for mortality certificates and up to \$20,000,000 for liability certificates.

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

As of July 1, 1995, CUP II attained its goal and assumed 100% of the individual casualty claims exceeding \$1,500,000 to a limit of \$5,000,000 for the 61 dioceses. Participating dioceses are liable for any losses beyond CUP II's responsibilities to fund such losses. Outstanding unpaid claims and incurred but not reported claims of approximately \$2.3 million and \$3.8 million, respectively, have been made against CUP II as of June 30, 2024.

Participating dioceses share in the operating and investment income and expenses of CUP II based on the contributions for each fiscal year. Participants are liable for claims and expenses incurred during the fiscal years in which they participate in CUP II.

The Trustee's equity in CUP II was \$260,951 as of June 30, 2024. CUP II has established a dividend policy to distribute the participant's equity of a fiscal year after 10 years. The Executive Committee reviews this policy annually. There was no dividend for the year ended June 30, 2024.

NOTE 7 LAND AND BUILDINGS

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

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Future parish sites	\$ 2,065,444	\$ -	\$ 2,065,444
Land and improvements	702,738	-	702,738
Building and improvements	7,363,718	2,263,662	5,100,057
	<u>\$ 10,131,900</u>	<u>\$ 2,263,662</u>	<u>\$ 7,868,239</u>

NOTE 8 NET ASSETS WITHOUT DONOR RESTRICTIONS

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

	<u>6/30/2024</u>	<u>6/30/2023</u>
Expansion general fund - designated	\$ 1,000,000	1,000,000
Reserve fund for contingency	250,000	250,000
J Kenney Estate for Emmaus	142,959	194,758
Kateri Tekawitha	9,600	9,600
Total	<u>\$ 1,402,559</u>	<u>\$ 1,502,886</u>

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 9 LIQUIDITY AND AVAILABILITY

The Trustee monitors its liquidity so that it is able to meet its operating needs and other commitments. The following table reflects the Trustee'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	\$ 2,043,713
Accounts/pledges receivable, net of allowance for doubtful accounts	762
Investments	28,377,724
Mutual Investments	260,951
Notes receivable collectible within one year	29,377
Total financial assets	<u>30,712,527</u>
Less those unavailable to meet general expenditures within one year, due to: Council designations	<u>(1,402,559)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 29,309,968</u></u>

The Trustee is supported through investment income. Thus, none of the financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Trustee has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Trustee also could draw upon its finance council designated reserve funds.

NOTE 10 RELATED PARTY

The Trustee is affiliated with the PJP and the Parish Expansion Fund (Expansion) of the Diocese of Bismarck through 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 Trustee holds a \$100,000 capital investment in the Expansion as of June 30, 2024. The Trustee has \$25,798 due from the PJP and the Trustee owes \$40,035 to the PJP as of June 30, 2024. During the year ended, June 30, 2024 the PJP charged the Trustee \$40,000 for admin fees and there were distributions from the Trustee to the PJP in the amount of \$3,284,797.

NOTE 11 INCOME TAXES

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

THE DIOCESE OF BISMARCK TRUSTEE, INC.
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2024

NOTE 12 COMMITMENTS

On September 1, 2021, the Trustee entered into a guaranty agreement with Bravera Bank to guaranty the payments of principal and interest on the issuance and sale of bonds to the Light of Christ Catholic Schools of Excellence. The bonds guaranteed include:

- \$5,000,000 – City of Linton, North Dakota School Facilities Revenue Refunding Bonds Series 2021A
- \$10,000,000 – City of Hazelton, North Dakota School Facilities Revenue Refunding Bonds Series 2021B
- \$10,000,000 – City of Wilton, North Dakota School Facilities Revenue Refunding Bonds Series 2021C
- \$6,000,000 – City of Lincoln, North Dakota School Facilities Revenue Refunding Bonds Series 2021D
- \$6,050,000 – Burleigh County, North Dakota School Facilities Revenue Refunding Bonds Series 2021E

As of June 30, 2024, the balance outstanding was \$34,222,093.

On March 1, 2023, the Trustee entered into a limited guaranty agreement with Choice Bank to guaranty a portion of the payments of principal and interest on the issuance and sale of a bond to the Dickinson Catholic Schools. The bond guaranteed include:

- \$10,000,000 – Stark County, North Dakota School Facilities Revenue Bonds Series 2023

As of June 30, 2024, the balance outstanding was \$8,294,958.

NOTE 13 SUBSEQUENT EVENTS

No significant events have occurred subsequent to the Trustee's year-end. Subsequent events have been evaluated through March 25, 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
The Diocese of Bismarck Trustee, Inc.
Bismarck, North Dakota

We have audited the financial statements of The Diocese of Bismarck Trustee, Inc. as of and for the year ended June 30, 2024, and our report dated March 25, 2025, which expressed an unmodified opinion on those financial statements, appears on page 1. 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 is presented for the 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.



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

March 25, 2025

THE DIOCESE OF BISMARCK TRUSTEE, INC.
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
(1) Expansion general fund - designated	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Reserve fund for contingency	250,000	-	-	250,000
J Kenney Estate for Emmaus	194,758	-	51,799	142,959
Kateri Tekawitha	9,600	-	-	9,600
Binations	48,528	-	48,528	-
	<u>\$ 1,502,886</u>	<u>\$ -</u>	<u>\$ 100,327</u>	<u>\$ 1,402,559</u>

The purpose of these designations are as follows:

- (1) This designation is to reserve funds to provide the Expansion an adequate loan pool.