

Independent Auditors' Report

To the Most Reverend Thomas John Paprocki, Bishop
Diocese of Springfield in Illinois

We have audited the accompanying financial statements of the Diocese of Springfield in Illinois (the Diocese), which are comprised of the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Springfield in Illinois as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in black ink that reads "Erik, Schiefer & Pankaj, LLP". The signature is written in a cursive, somewhat stylized font.

Springfield, Illinois
October 29, 2020

Diocese of Springfield in Illinois

STATEMENTS OF FINANCIAL POSITION

June 30

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,514,761	\$ 1,343,205
Investments	4,828,624	4,463,389
Receivables		
Collections and assessments - less allowance for uncollectibles of \$ 320,401 in 2020 and 2019	3,521,180	2,850,520
Premiums - less allowance for uncollectibles of \$ 175,000 in 2020 and 2019	2,312,902	2,480,485
Other	<u>521,172</u>	<u>456,431</u>
	6,355,254	5,787,436
Prepaid expenses	59,785	2,402
Funds invested in the Deposit and Loan Fund	39,176,197	39,847,563
Equipment - less accumulated depreciation of \$ 412,811 in 2020 and \$ 318,843 in 2019	124,288	190,081
Investment in insurers, at cost	244,066	244,066
Other assets	<u>65,127</u>	<u>65,127</u>
	<u>\$ 53,368,102</u>	<u>\$ 51,943,269</u>

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

2020

2019

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities

Trade payables	\$ 768,476	\$ 364,892
Property, payroll and other taxes	460,033	400,291
Claims payable	1,800,000	1,800,000
Deferred income	<u>360,000</u>	<u>360,000</u>

3,388,509 2,925,183

Funds held for others

1,398,221 1,413,410

Total liabilities 4,786,730 4,338,593

NET ASSETS

Without donor restrictions

Undesignated	194,622	268,397
Designated		
Specific	4,050,000	4,250,000
Program	<u>30,521,895</u>	<u>29,021,173</u>

34,766,517 33,539,570

Net assets with donor restrictions

13,814,855 14,065,106

Total net assets 48,581,372 47,604,676

\$ 53,368,102 \$ 51,943,269

Diocese of Springfield in Illinois

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues, gains and other support:			
Annual Catholic Services Appeal	\$ 4,420,071	\$ -	\$ 4,420,071
Diocesan service fees	447,350	-	447,350
Insurance premiums	17,891,976	-	17,891,976
Real estate - net	129,290	-	129,290
Investment income (loss), net of fees of \$93,477	656,107	(10,450)	645,657
Investment income - Deposit and Loan Fund	367,394	1,463	368,857
Gain (loss) on sale of investments - net	(143)	178,200	178,057
Change in unrealized loss on investments	-	197,485	197,485
Contributions	3,351,352	354,359	3,705,711
Catholic Times subscriptions	732,038	-	732,038
Catholic Times advertising	57,529	-	57,529
Bequests	91,414	422	91,836
Other	777,636	-	777,636
Net assets released from restrictions	<u>971,730</u>	<u>(971,730)</u>	<u>-</u>
Total revenues, gains and other support	29,893,744	(250,251)	29,643,493
Expenses			
Program services			
Diocesan and Catechetical services	26,639,971	-	26,639,971
Supporting activities			
Management and general	1,639,706	-	1,639,706
Fundraising	<u>387,120</u>	<u>-</u>	<u>387,120</u>
Total expenses	<u>28,666,797</u>	<u>-</u>	<u>28,666,797</u>
Change in net assets	1,226,947	(250,251)	976,696
Net assets at beginning of year	<u>33,539,570</u>	<u>14,065,106</u>	<u>47,604,676</u>
Net assets at end of year	<u>\$ 34,766,517</u>	<u>\$ 13,814,855</u>	<u>\$ 48,581,372</u>

The accompanying notes are an integral part of this financial statement.

Diocese of Springfield in Illinois

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenues, gains and other support:			
Annual Catholic Services Appeal	\$ 4,414,128	\$ -	\$ 4,414,128
Diocesan service fees	491,228	-	491,228
Insurance premiums	18,090,031	-	18,090,031
Real estate - net	125,782	-	125,782
Investment income (loss), net of fees of \$88,294	1,103,902	(2,045)	1,101,857
Investment income - Deposit and Loan Fund	700,462	1,509	701,971
Gain (loss) on sale of investments - net	(413)	613,548	613,135
Change in unrealized loss on investments	-	(460,276)	(460,276)
Contributions	4,095,753	236,972	4,332,725
Catholic Times subscriptions	708,975	-	708,975
Catholic Times advertising	75,149	-	75,149
Gain on sale of artwork	1,197,703	-	1,197,703
Bequests	117,741	485,569	603,310
Other	61,726	-	61,726
Net assets released from restrictions	<u>1,419,578</u>	<u>(1,419,578)</u>	<u>-</u>
Total revenues, gains and other support	32,601,745	(544,301)	32,057,444
Expenses			
Program services			
Diocesan and Catechetical services	28,209,013	-	28,209,013
Supporting activities			
Management and general	1,494,453	-	1,494,453
Fundraising	<u>282,722</u>	<u>-</u>	<u>282,722</u>
Total expenses	<u>29,986,188</u>	<u>-</u>	<u>29,986,188</u>
Change in net assets	2,615,557	(544,301)	2,071,256
Net assets at beginning of year	<u>30,924,013</u>	<u>14,609,407</u>	<u>45,533,420</u>
Net assets at end of year	<u>\$ 33,539,570</u>	<u>\$ 14,065,106</u>	<u>\$ 47,604,676</u>

The accompanying notes are an integral part of this financial statement.

Diocese of Springfield in Illinois

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020

	Program Services	Supporting Activities		Total Supporting	Total
	Diocesan and Catechetical Services	Management and General	Fundraising		
Salaries and employee benefits	3,606,605	926,037	308,582	1,234,619	4,841,224
Contributions	867,218	-	-	-	867,218
Retirement benefits	2,232,944	-	-	-	2,232,944
Professional fees	338,726	358,164	-	358,164	696,890
Contractual Services	82,014	8,252	1,251	9,503	91,517
Occupancy	816,186	-	-	-	816,186
Travel	65,150	9,802	2,925	12,727	77,877
Printing	221,508	7,492	4,048	11,540	233,048
Postage and shipping	202,203	5,926	20,372	26,298	228,501
Meetings	42,345	6,910	1,169	8,079	50,424
Insurance claims	16,644,135	-	-	-	16,644,135
Supplies	21,342	1,015	153	1,168	22,510
Telephone	3,993	6,696	-	6,696	10,689
Equipment rental and maintenance	94,202	70,951	-	70,951	165,153
Fees	34,529	-	-	-	34,529
Dues and publications	36,067	4,619	1,750	6,369	42,436
Insurance	45,102	-	-	-	45,102
Workshops	12,194	-	-	-	12,194
Advertising	15,757	4,524	-	4,524	20,281
Tuition and education	1,016,673	-	-	-	1,016,673
Ministry	31,963	-	-	-	31,963
Settlements and therapy	-	71,413	-	71,413	71,413
Other	209,115	12,917	46,870	59,787	268,902
Depreciation	-	93,968	-	93,968	93,968
Bad debt expense	-	49,888	-	49,888	49,888
Interest expense	-	1,132	-	1,132	1,132
Total expenses	26,639,971	1,639,706	387,120	2,026,826	28,666,797

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

Diocese of Springfield in Illinois

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services	Supporting Activities			Total
	Diocesan and Catechetical Services	Management and General	Fundraising	Total Supporting	
Salaries and employee benefits	3,491,291	796,930	209,154	1,006,084	4,497,375
Contributions	2,387,948	-	-	-	2,387,948
Retirement benefits	2,061,745	-	-	-	2,061,745
Professional fees	301,406	419,692	-	419,692	721,098
Contractual Services	142,919	26,000	3,561	29,561	172,480
Occupancy	815,166	-	-	-	815,166
Travel	103,437	12,607	2,904	15,511	118,948
Printing	258,831	4,583	11,061	15,644	274,475
Postage and shipping	203,719	8,214	18,005	26,219	229,938
Meetings	72,202	7,537	1,323	8,860	81,062
Insurance claims	16,963,798	-	-	-	16,963,798
Supplies	29,657	2,281	647	2,928	32,585
Telephone	4,904	7,506	-	7,506	12,410
Equipment rental and maintenance	65,478	87,298	-	87,298	152,776
Fees	52,178	-	-	-	52,178
Dues and publications	35,229	4,440	1,795	6,235	41,464
Insurance	45,196	-	-	-	45,196
Workshops	7,493	-	-	-	7,493
Advertising	20,812	1,098	-	1,098	21,910
Tuition and education	845,161	-	-	-	845,161
Ministry	111,508	-	-	-	111,508
Settlements and therapy	-	11,241	-	11,241	11,241
Other	188,935	10,426	34,272	44,698	233,633
Depreciation	-	91,771	-	91,771	91,771
Bad debt expense	-	406	-	406	406
Interest expense	-	2,423	-	2,423	2,423
Total expenses	<u>28,209,013</u>	<u>1,494,453</u>	<u>282,722</u>	<u>1,777,175</u>	<u>29,986,188</u>

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

Diocese of Springfield in Illinois

SCHEDULES OF PROGRAM SERVICES - OPERATING FUND

Years Ended June 30

	<u>2020</u>	<u>2019</u>
Cathedral operations	\$ 249,264	\$ 262,673
Catholic Pastoral Center operations	566,936	557,321
Contribution to the Foundation	-	1,200,000
Human Resources	286,020	268,880
Office of the Bishop	201,039	331,471
Office for Campus Ministry		
Campus Ministry	2,132	900
Newman Center - Charleston	498,377	574,717
Newman Center - Decatur	50,719	51,797
Newman Center - Edwardsville	200,257	201,986
Newman Center - UIS	2,550	2,625
Office for Catholic Schools	181,902	170,483
Office for Catechesis	113,309	96,631
Office for Cemetery	35,242	46,820
Office for Clergy Personnel		
Post Graduate	43,008	85,501
Personnel	26,242	24,485
Clergy Leave	30,753	104,972
Sabbatical	8,202	-
Office for Communications and Information Services	223,031	205,245
Office for Marriage and Family Life	78,823	97,168
Office for Lay Ecclesial Ministry	352	4,152
Office for Lay Organizations	9,737	8
Office for Vicar for Priests	10,856	37,162
Office for Pro-Life Activities & Special Ministries		
Pro-Life Activities & Special Ministries	97,889	79,416
Black Catholic Commission	4,196	4,576
Deaf Ministry	24,078	20,949
Diocesan Office for Hispanic Ministry	132,682	127,195
Rural life	38	-
Office for Youth and Young Adult Ministry	111,975	163,964
Office for the Tribunal	97,028	112,436
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Total carried forward	\$ 3,286,637	\$ 4,833,533

Diocese of Springfield in Illinois

SCHEDULES OF PROGRAM SERVICES - OPERATING FUND - CONTINUED

Years Ended June 30

	<u>2020</u>	<u>2019</u>
Total brought forward	\$ 3,286,637	\$ 4,833,533
Office of Archives Management	217,483	169,450
Office for Vocations		
Seminarians Education	1,538,896	996,177
Office for Divine Worship and Catechumenate	34,081	84,622
Office for Stewardship and Discipleship	228,201	153,676
Office of the Diaconate	48,080	82,650
Presbyteral council	972	1,324
Real Estate Trust contribution	322,369	798,232
Subsidy to St. Patrick's School	50,000	50,000
Universal Church support		
United States Conference of Catholic Bishops	47,672	50,919
Illinois Conference of Churches	-	1,500
Catholic Conference of Illinois	34,787	27,290
Papal support	42,000	42,000
Catholic University of America	18,000	18,000
Villa Maria - Catholic Life Center	413,393	477,714
Other	116,738	29,090
Communications media	21,500	26,000
Rice Bowl	<u>20,000</u>	<u>28,000</u>
	<u>\$ 6,440,809</u>	<u>\$ 7,870,177</u>

Diocese of Springfield in Illinois

SCHEDULES OF SUPPORTING SERVICES - OPERATING FUND

Years Ended June 30

	<u>2020</u>	<u>2019</u>
Administration		
Catholic Pastoral Center - Information Technology	\$ 280,734	\$ 284,427
Office for Finance	446,017	460,839
Office of the Chancellor/Director of Policy Development	140,729	51,718
Office of the Vicar General	141,720	139,879
Office of Vocations	52,383	27,050
Delegates for Health Care and Legal Profession	<u>9,648</u>	<u>7,642</u>
	1,071,231	971,555
Settlements and therapy	71,413	11,241
Interest	1,132	2,423
Bad debt expense	49,888	406
Depreciation	93,968	91,771
Professional fees	<u>352,074</u>	<u>417,057</u>
	<u>\$ 1,639,706</u>	<u>\$ 1,494,453</u>