



Financial Statements
June 30, 2023 and 2022

The Chancery Office of The Roman
Catholic Bishop of San Bernardino
(A Corporation Sole)

The Chancery Office of The Roman Catholic Bishop of San Bernardino

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Independent Auditor's Report

To His Excellency the Most Reverend Alberto Rojas
The Chancery Office of The Roman Catholic Bishop of San Bernardino, a Corporation Sole
San Bernardino, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Chancery Office of The Roman Catholic Bishop of San Bernardino (the Diocese) (a Corporation Sole), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of The Chancery Office of The Roman Catholic Bishop of San Bernardino as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Diocese and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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's ability to continue as a going concern for one year after the date that the financial statements are available to be 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.
- 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'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'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.

Eide Bailly LLP

Rancho Cucamonga, California
December 19, 2023

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Statements of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents (Note 3)	\$ 5,324,645	\$ 5,877,587
Investments (Note 3)	61,893,154	61,968,261
Investments held in trust for others (Note 9)	34,232,699	30,825,062
Receivables (Note 5)		
Accounts receivable, net	4,931,575	3,161,070
Notes receivable	243,664	3,964,336
Deposits and prepaid expenses (Note 6)	514,066	574,145
Land, property, and equipment, net of accumulated depreciation (Note 7)	14,223,871	14,466,377
Total assets	\$ 121,363,674	\$ 120,836,838
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,319,658	\$ 922,982
Notes payable (Note 8)	1,661,773	3,827,005
Funds held in trust for others (Note 9)	34,232,699	30,825,062
Accrued net pension liability (Note 10)	23,511,689	13,419,152
Insurance reserves (Note 12)	250,000	250,000
Total liabilities	60,975,819	49,244,201
Net Assets (Note 13)		
Net assets without donor restrictions	33,458,306	47,295,093
Net assets without donor restrictions - designated	2,958,796	3,243,677
Net assets with donor restrictions	23,970,753	21,053,867
Total net assets	60,387,855	71,592,637
Total Liabilities and Net Assets	\$ 121,363,674	\$ 120,836,838

The Chancery Office of The Roman Catholic Bishop of San Bernardino
Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	Net assets without donor restrictions	Net assets with donor restrictions	Total	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenues						
Gifts, bequests, and collections	\$ 1,301,682	\$ 1,961,333	\$ 3,263,015	\$ 997,108	\$ 1,606,960	\$ 2,604,068
Assessments	7,473,374	-	7,473,374	7,430,630	-	7,430,630
Diocesan development fund subsidy	3,240,000	-	3,240,000	3,240,000	-	3,240,000
Fees and expense reimbursements	1,743,710	1,032	1,744,742	1,568,493	-	1,568,493
Insurance premiums	7,575,734	-	7,575,734	6,940,527	84,393	7,024,920
Interest/dividend income	49,599	-	49,599	57,224	-	57,224
Endowment payout	359,754	-	359,754	325,097	-	325,097
Grant income	146,331	698,453	844,784	175,965	226,927	402,892
Other income	304,780	-	304,780	313,701	-	313,701
Net assets released from restrictions	995,187	(995,187)	-	1,419,658	(1,419,658)	-
Total revenues	23,190,151	1,665,631	24,855,782	22,468,403	498,622	22,967,025
Expenses						
Program services						
Pastoral services	4,443,045	-	4,443,045	4,723,953	-	4,723,953
Education	2,353,269	-	2,353,269	2,506,329	-	2,506,329
Religious personnel development	2,235,547	-	2,235,547	3,094,397	-	3,094,397
Ministries and social services	2,547,210	-	2,547,210	2,978,265	-	2,978,265
Grants and donations	823,024	-	823,024	1,165,440	-	1,165,440
General and administrative services						
Diocesan administration	5,135,257	-	5,135,257	4,628,677	-	4,628,677
Insurance premiums and benefits	7,883,283	-	7,883,283	6,700,518	-	6,700,518
Fundraising	1,369,123	-	1,369,123	1,395,951	-	1,395,951
Total expenses	26,789,758	-	26,789,758	27,193,530	-	27,193,530
Excess (Deficiency) of Revenues over Expenses	(3,599,607)	1,665,631	(1,933,976)	(4,725,127)	498,622	(4,226,505)
Other Changes in Net Assets						
Investment income not used in operations	5,243,294	1,251,255	6,494,549	(22,382,409)	(3,402,130)	(25,784,539)
Loss on disposal of property, net of proceeds	(15,583)	-	(15,583)	-	-	-
Loss on legal settlements	(2,400)	-	(2,400)	(360,422)	-	(360,422)
Loan forgiveness	(3,550,035)	-	(3,550,035)	-	-	-
Discretionary Preist Pension contributions	(2,104,800)	-	(2,104,800)	-	-	-
Actuarial adjustment - pension plan	(10,092,537)	-	(10,092,537)	(16,426,218)	-	(16,426,218)
Total other changes in net assets	(10,522,061)	1,251,255	(9,270,806)	(39,169,049)	(3,402,130)	(42,571,179)
Change in Net Assets	(14,121,668)	2,916,886	(11,204,782)	(43,894,176)	(2,903,508)	(46,797,684)
Net Assets, Beginning of Year	50,538,770	21,053,867	71,592,637	94,432,946	23,957,375	118,390,321
Net Assets, End of Year	\$ 36,417,102	\$ 23,970,753	\$ 60,387,855	\$ 50,538,770	\$ 21,053,867	\$ 71,592,637

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ (11,204,782)	\$ (46,797,684)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation expense	593,727	616,011
Unrealized losses (gains) on investments	(6,677,420)	28,026,286
Realized losses (gains) on investments	5,743	(2,369,418)
Contributions restricted for long-term purposes	(952,994)	(507,571)
Forgiveness of notes receivable	3,550,035	-
Change in assets and liabilities		
Accounts receivable	(1,770,505)	248,404
Deposits and prepaid expenses	60,079	(171,002)
Accounts payable and accrued expenses	396,676	(901,653)
Funds held for others	3,407,637	(5,961,757)
Deferred revenue	-	(5,003)
Pensions	10,092,537	16,426,218
Net Cash from Operating Activities	(2,499,267)	(11,397,169)
Investing Activities		
Purchase of land, property, and equipment	(1,537,402)	(281,723)
Disposal of land, property, and equipment	1,186,181	-
Collections on notes receivable	170,637	298,122
Changes in investments and funds on deposit	3,339,147	11,277,925
Net Cash from Investing Activities	3,158,563	11,294,324
Financing Activities		
Collection of contributions restricted for long-term purposes	952,994	507,571
Payments on notes payable	(2,165,232)	(412,183)
Net Cash from Financing Activities	(1,212,238)	95,388
Net Change in Cash and Cash Equivalents	(552,942)	(7,457)
Cash and Cash Equivalents, Beginning of Year	5,877,587	5,885,044
Cash and Cash Equivalents, End of Year	\$ 5,324,645	\$ 5,877,587
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 90,164	\$ 124,128

Note 1 - Nature of Organization and Summary of Significant Accounting Policies

Organization

The Roman Catholic Bishop of San Bernardino, also known as the Diocese of San Bernardino (the Diocese), is a nonprofit corporation established under the laws of the State of California, and operates as a religious organization. The Diocese is exempt from Federal and State income tax under provisions of Section 501(c) of the Internal Revenue Code as a member of group exemption number 928 and Section 23701d of the California Revenue and Taxation Code as a religious organization. The primary purpose of the accounting and reporting of financial information is for resources received and applied rather than the determination of net income.

The Chancery Office of The Roman Catholic Bishop (RCB) of San Bernardino, a Corporation Sole, is supported primarily through assessments to parishes under the direction of the Bishop and contributions.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with Accounting Principles and Reporting Practices for Churches and Church-Related Organizations, adopted by the National Conferences of Catholic Bishops, and in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements include the assets, liabilities, and operations of departments for which the Chancery Office, also called the Diocesan Pastoral Center (DPC or Diocese) of The Roman Catholic Bishop of San Bernardino, maintains direct operational control. The financial statements do not include the assets, liabilities, and operations of the parishes or any other affiliated organization under the jurisdiction of the Bishop, except for transactions with the DPC as reflected in the records of the DPC.

Net Asset Categories

The accompanying financial statements present information regarding the Diocese's financial position and results of activities according to the following net asset categories:

- Net assets without donor restrictions include all support that is not subject to donor-imposed restrictions. Property and equipment include all long-lived assets and renewal and replacement funds net of related liabilities.
- Net assets with donor restrictions include gifts and income subject to donor (or certain grantor) restrictions. Some donor-imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Diocese reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions. It is also the Diocese's policy to release the restrictions on gifts of cash or other assets received for the acquisitions of long-lived assets when the long-lived assets are placed into service.

Revenue Recognition

Parish assessments are recognized and recorded as unrestricted revenues in the year the assessments are levied to the parishes. Other Diocesan revenue sources include insurance premiums and fees for other services, which are recognized and recorded as unrestricted revenues in the year in which performance obligations are satisfied, typically when the activity or services are rendered.

Contributions, including unconditional promises to give and the annual Diocesan Development Fund subsidy, are recognized as revenues in the period the contribution or unconditional promise is received. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift. Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released from restrictions. When a donor's restriction is met within the same year as the donation, the donation is reported as net assets without donor restrictions.

Revenues from grants and contracts are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred.

Accounts Receivable

Accounts receivable represent amounts due from various parishes and other institutions within the Diocese for parish assessments, services fees, insurance, property taxes, and other fees, which are believed to be fully collectible unless an entity experiences a material adverse change in its ability to meet its financial obligations to the Diocese. An allowance for doubtful accounts, which as of June 30, 2023 and 2022, amounted to \$1,380,242 and \$1,262,659, respectively, has been calculated based on an aging of outstanding invoices.

Investment Return

Investment income and realized and unrealized gains and losses are recorded and reported as increases or decreases to the appropriate net asset category.

Expense Recognition

Expenses are generally reported as decreases in net assets without donor restrictions. The financial statements present expenses by functional classification in accordance with the overall mission of the Diocese.

Allocation of Certain Expenses

The statement of activities presents expenses by functional classification. Depreciation and the cost of operation and maintenance of facilities are allocated to functional categories based on building square footage dedicated to that specific function.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Cash and Cash Equivalents

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

Concentration of Credit Risk

The Diocese maintains cash and investment balances at banks in excess of Federal Deposit of Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits. Deposit concentration risk is managed by placing cash and investment balances with financial institutions believed by the Diocese to be creditworthy. Management believes credit risk is limited.

Investments

Where permitted by gift agreement and/or applicable Diocesan policies, the Diocese pools investments for management purposes. The remainder of investments is managed as separate investments. Cash equivalents are resources invested in money market funds, including any such investments held by external investment managers. Marketable securities are reported at fair market value, except for real estate investments, trust deed loans, and other miscellaneous assets, which are stated at cost.

The cost of securities sold is determined by the average cost method and is used to compute realized gains and losses. Unrealized gains and losses reflect the changes in the market values of investments from the prior year. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation. The date of record for investments is the trade date.

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 on the statement of activities. Realized gains and losses are also recorded on the statement of activities.

Endowment Funds

The Diocese has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Diocese retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The mission of the Diocese and the purpose of the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and/or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Diocese
7. The investment policy of the Diocese

Management of Catholic Foundation Pooled Investment Funds

The investment objectives of the Catholic Foundation endowment funds is to grow the funds over the long run and have earnings through a combination of investment income and capital appreciation, a rate of return (time-weighted total return) in excess of the benchmarks established for the medium (three years) and long-term (five years).

The endowment fund has a spending policy of appropriating 4.25% of the average of the three previous years ending fair market value.

Fair Value Measurement of Investment Assets

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the Diocese's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed 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. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Diocese's assessment of the quality, risk, or liquidity profile of the asset or liability.

Property and Equipment

Property and equipment are recorded at cost for purchased assets and appraised fair value for contributed assets. The assets are depreciated over their useful lives. The Diocese capitalizes land at the purchase cost or donated fair value, buildings at the purchase cost or construction cost. Capitalization for other assets includes equipment with an initial value in excess of \$5,000 and building, leasehold or land improvements with an initial value in excess of \$50,000; anything less is expensed in the current period. The straight-line method of depreciation is used for all depreciable assets. The estimated useful lives range from seven years to thirty years.

The Diocese reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the way the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at June 30, 2023 and 2022.

Related Parties

Substantial portions of the Diocesan transactions are with affiliated parishes and other religious organizations.

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Notes to Financial Statements

June 30, 2023 and 2022

Change in Accounting Principle

As of July 1, 2022, the Diocese adopted the new lease accounting guidance in Accounting Standard Update No. 2016-02, *Leases* (Topic 842). The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. The adoption of this standard did not materially impact the Diocese's financial statements. Management has adopted the amendments of this update on a modified retrospective basis.

Note 2 - Liquidity and Availability

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

	2023	2022
Cash and cash equivalents	\$ 1,640,157	\$ 2,862,874
Investments	24,769,194	19,713,522
Accounts receivable, net	1,442,362	1,077,076
Notes receivable	58,512	145,588
	\$ 27,910,225	\$ 23,799,060

The Diocese uses these sources to meet its ongoing obligations with respect to general expenditures, liabilities and other obligations as they become due. Cash in excess of daily requirements is invested in various short-term investments with maturities designed to meet obligations as they come due.

Note 3 - Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments at June 30, 2023 and 2022 are as follows:

	2023	2022
Cash and cash equivalents	\$ 5,324,645	\$ 5,877,587
Investments	61,893,154	61,968,261
	\$ 67,217,799	\$ 67,845,848

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Notes to Financial Statements

June 30, 2023 and 2022

Cash, cash equivalents, and investments at June 30, 2023 were held for the following purposes:

	2023
Grant Funds	
Black & Indian grant	\$ 163,442
Campaign for Human Development grant	103,970
Catholic Education Foundation - Current year	41,953
Insurance Funds	
Property insurance fund	271,515
Auto insurance fund	448,863
Priests' pension plan	565,430
Workers' compensation fund	1,612,798
Priests' health plan	85,271
State unemployment insurance fund	5,183,555
Earthquake insurance fund	8,553,827
Restricted Funds	
Mission Center restricted donations	1,748,219
Catholic Foundation, for the benefit of Seminarians and Priests	19,884,304
Designated Funds	
Valley Missionary Program	244,276
Bishop charity and special work	697,569
Designated donations	1,123,768
Other Funds	
Excess funds	25,164,688
Operating fund	234,542
Fixed asset funds	1,089,809
	\$ 67,217,799

Funds held for Mission Center restricted donations of \$1,748,219 and Catholic Foundation for the benefit of Seminarians and Priests of \$19,884,304, represent funds that are restricted by virtue of the donor and by the canon laws regulating the activities of the Roman Catholic Church. The Diocese has fiduciary oversight over these funds and they are not available for Diocesan operations, as they are held for the charitable purpose for which they were specifically intended and given. Funds for the Catholic Foundation for the benefit of Seminarians and Priests are restricted in perpetuity through the Catholic Foundation Trust and trust agreements.

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Notes to Financial Statements

June 30, 2023 and 2022

The following schedule summarizes the Diocese's investment returns for the year ended June 30, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 893,474	\$ 1,016,897
Unrealized gain (loss) for the year	6,677,420	(28,026,286)
Realized gain (loss) for the year	(5,743)	2,369,418
	7,565,151	(24,639,971)
Investment expense	(255,564)	(309,203)
Spending policy payout	(765,439)	(778,141)
Net investment returns	\$ 6,544,148	\$ (25,727,315)

The following table summarizes the Diocese's investments at June 30, 2023 and 2022:

	June 30, 2023		
	Adjusted Cost	Fair Market Value	Unrealized Gain (Loss) Cumulative
Money market funds	\$ 11,806,680	\$ 11,806,680	\$ -
Mutual funds	44,146,523	76,176,068	32,029,545
U.S. Government and agency instruments	2,680,769	2,300,332	(380,437)
Corporate bonds	4,018,251	3,757,563	(260,688)
Limited partnerships	1,566,123	2,085,210	519,087
	\$ 64,218,346	\$ 96,125,853	\$ 31,907,507
	June 30, 2022		
	Adjusted Cost	Fair Market Value	Unrealized Gain (Loss) Cumulative
Money market funds	\$ 11,380,981	\$ 11,372,333	\$ (8,648)
Mutual funds	50,367,504	72,637,091	22,269,587
U.S. Government and agency instruments	2,884,545	2,588,951	(295,594)
Corporate bonds	4,010,160	3,876,372	(133,788)
Limited partnerships	1,499,973	2,318,576	818,603
	\$ 70,143,163	\$ 92,793,323	\$ 22,650,160

The Chancery Office of The Roman Catholic Bishop of San Bernardino

Notes to Financial Statements

June 30, 2023 and 2022

Note 4 - Fair Value Measurement of Financial Instruments

The fair value measurements and level within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2023 and 2022 are as follows:

	June 30, 2023			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 11,806,680	\$ -	\$ -	\$ 11,806,680
Mutual funds	76,176,068	-	-	76,176,068
U.S. Government and agency instruments	2,300,332	-	-	2,300,332
Corporate bonds	3,757,563	-	-	3,757,563
Limited partnerships	-	2,085,210	-	2,085,210
	<u>\$ 94,040,643</u>	<u>\$ 2,085,210</u>	<u>\$ -</u>	<u>\$ 96,125,853</u>

	June 30, 2022			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 11,372,333	\$ -	\$ -	\$ 11,372,333
Mutual funds	72,637,091	-	-	72,637,091
U.S. Government and agency instruments	2,588,951	-	-	2,588,951
Corporate bonds	3,876,372	-	-	3,876,372
Limited partnerships	-	2,318,576	-	2,318,576
	<u>\$ 90,474,747</u>	<u>\$ 2,318,576</u>	<u>\$ -</u>	<u>\$ 92,793,323</u>

Note 5 - Accounts and Notes Receivable

Accounts receivable (net of allowance for doubtful accounts) at June 30, 2023 and 2022 are as follows:

	2023	2022
General receivables	\$ 3,401,079	\$ 2,953,235
Payroll receivables	2,561,461	1,402,343
Other receivables	349,277	68,151
	<u>6,311,817</u>	<u>4,423,729</u>
Total gross receivables		
Less allowance for doubtful accounts	<u>(1,380,242)</u>	<u>(1,262,659)</u>
Total accounts receivable, net	<u>\$ 4,931,575</u>	<u>\$ 3,161,070</u>

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Notes to Financial Statements

June 30, 2023 and 2022

Notes receivable at June 30, 2023 and 2022 are as follows:

	2023	2022
Clergy receivable	\$ 7,363	\$ 7,755
Seminarian education notes receivable	195,500	254,361
Note receivable from Land Development Corporation	40,801	3,702,220
Total notes receivable	\$ 243,664	\$ 3,964,336

The Diocese has three notes receivable with the Land Development Corporation, a legally separate but affiliated organization. The outstanding balance owed to the Diocese as of June 30, 2023 and 2022 was \$40,801 and \$3,702,220, respectively. As of June 30, 2023, the Diocese has forgiven the remaining principal balance due from the Land Development Corporation. Amounts due from the Land Development Corporation as of June 30, 2023 represent interest from the previous balance.

Note 6 - Deposits and Prepaid Expenses

Deposits and prepaid expenses as of June 30, 2023 and 2022 were comprised of the following:

	2023	2022
Prepaid expenses - operating funds	\$ 79,484	\$ 139,950
Prepaid expenses - insurance funds	314,883	210,553
Prepaid expenses - other	970	335
Deposit - insurance programs	118,729	223,307
Total deposits and prepaid expenses	\$ 514,066	\$ 574,145

Note 7 - Land, Property, and Equipment

The composition of plant assets at June 30, 2023 and 2022 is as follows:

	2023	2022
Land	\$ 6,741,713	\$ 6,893,606
Construction in progress	133,549	-
Building	17,191,860	16,988,098
Equipment	1,557,837	1,430,852
Furnishings	455,364	455,364
Vehicles	192,432	192,432
Leasehold improvements	-	415,482
Total land, property, and equipment	26,272,755	26,375,834
Accumulated depreciation	(12,048,884)	(11,909,457)
Total land, property, and equipment, net	\$ 14,223,871	\$ 14,466,377

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Depreciation expense for the years ended June 30, 2023 and 2022 was \$593,727 and \$616,011, respectively.

Building assets with depreciated value of \$217,063 are pledged as collateral for the notes payable referenced in Note 8.

Note 8 - Notes Payable

Notes payable at June 30, 2023 and 2022 are as follows:

	2023	2022
Citizens Business Bank note payable, interest rate of 3.50%, due September 6, 2026	\$ 1,606,773	\$ 2,076,658
Citizens Business Bank line of credit, limit \$5,300,000, interest rate of 4.50%	-	1,695,347
Note payable to Wilfrid Lemann, successor trustee for property bequest, interest only payments at 6.00% annual interest	55,000	55,000
Total notes payable	\$ 1,661,773	\$ 3,827,005

Interest expense was \$90,164 and \$124,128 for the years ended June 30, 2023 and 2022, respectively.

Note 9 - Funds Held in Trust for Others

Funds held in trust for others totaled \$34,232,699 and \$30,825,062 at June 30, 2023 and 2022, respectively. These amounts represent other parish and school funds held in trust by the Diocese, and are detailed at June 30, 2023 as follows:

	2023
National collections (Religious retirement, combined collections)	\$ 378,667
State use tax and other tax withholdings	6,991
Parish funds - Lease option to purchase	16,179
Payroll funds - Employee health, pension, and other deductions	3,381,793
Catholic Foundation and Education Foundation funds (schools and parishes)	30,387,982
PPE Grant funds reserved for parishes and schools	36,632
Other	24,455
	\$ 34,232,699

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Notes to Financial Statements

June 30, 2023 and 2022

Note 10 - Pension Plans

Pension Plans for Priests

The Diocese adopted a pension plan for priests in conjunction with the Diocese of San Diego. All priests under the authority of the Diocese shall be eligible to participate in the plan provided they make the required contributions. Priest contributions are \$33.33 per month, payable in semi-annual or annual payments.

Pension expense for the years ended June 30, 2023 and 2022, was \$1,028,875 and \$748,793, respectively, allocable to the Diocese of San Bernardino. These amounts include normal cost plus amortization of unfunded past service cost and reflect the required contribution for the plan year ended June 30, 2023. The plan uses a projected method that takes into account future service and, therefore, produces a measure of plan liabilities that exceed plan assets. This amount will be funded over the entire working lifetime of the current group of priests in the valuation.

The changes in the pension benefit obligation and fair value of plan assets for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Benefit obligations, beginning of year	\$ 14,236,179	\$ 14,380,029
Service cost	247,377	227,983
Expected employee contributions	25,450	26,800
Interest cost	751,970	753,805
Actuarial loss/(gain)	17,341	(120,013)
Change in assumptions	2,433,606	103,322
Benefit payments	(1,188,117)	(1,135,747)
Benefit obligations, end of year	16,523,806	14,236,179
Fair value of plan assets, beginning of year	10,025,387	11,342,995
Actual return on plan assets	1,095,228	(1,500,033)
Actual employee contributions	25,450	26,800
Benefit payments	(1,188,117)	(1,135,747)
Employer contribution	3,037,800	1,291,372
Fair value of plan assets, end of year	12,995,748	10,025,387
Unfunded	\$ (3,528,058)	\$ (4,210,792)

Net periodic pension costs for the years ended June 30, 2023 and 2022 was:

	2023	2022
Net periodic pension cost	\$ 1,028,875	\$ 748,793

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Notes to Financial Statements

June 30, 2023 and 2022

The following are weighted-average assumptions used to determine benefit obligations at June 30, 2023 and 2022:

	2023	2022
Discount rate	5.21%	5.50%
Rate of compensation increase	0.00%	0.00%

The following are weighted-average assumptions used to determine net periodic pension cost for the years ended June 30, 2023 and 2022:

	2023	2022
Discount rate	5.21%	5.50%
Rate of compensation increase	0.00%	0.00%
Expected long-term rate of return on plan assets	6.00%	6.00%

The Diocese's expected long-term rate of return on plan assets assumption was derived from an analysis conducted by the Diocese's actuaries. The analysis included a review of the asset allocation strategy, anticipated future long-term performance of individual asset classes, and risks and correlations for each of the asset classes that comprise the asset allocation. While the analysis gives appropriate consideration to recent performance and historical returns, the assumption is primarily a long-term prospective rate.

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of June 30, 2023 and 2022:

June 30, 2023	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 450,264	\$ 450,264	\$ -	\$ -
Equity securities	802,154	802,154	-	-
Equity mutual funds	8,589,935	8,589,935	-	-
Fixed income mutual funds	3,153,395	3,153,395	-	-
	<u>\$ 12,995,748</u>	<u>\$ 12,995,748</u>	<u>\$ -</u>	<u>\$ -</u>
<u>June 30, 2022</u>				
Cash and cash equivalents	\$ 648,591	\$ 648,591	\$ -	\$ -
Equity securities	1,348,847	1,348,847	-	-
Equity mutual funds	5,530,514	5,530,514	-	-
Fixed income mutual funds	2,497,435	2,497,435	-	-
	<u>\$ 10,025,387</u>	<u>\$ 10,025,387</u>	<u>\$ -</u>	<u>\$ -</u>

The pension benefit plan assets are carried at fair value in accordance with the fair value hierarchy as discussed in Note 4.

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June 30, 2023 and 2022

In setting investment policies and strategies, the ability of the selected investment allocation to fund the pension plan liabilities effectively, meet the long-term return target, and align the selected allocation with the risk tolerance of the plan's fiduciaries was taken into account. The strategic allocation has reduced exposure to market risk and increased allocation to asset classes which are not highly correlated, as well as asset classes where management has historically generated excess returns, and places greater emphasis on manager skills to produce excess return while employing various risk mitigation strategies to reduce volatility.

The Diocese expects to contribute \$829,000 to the pension plan in the 2024 fiscal year.

The following estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid in following five fiscal years:

2024	\$ 1,148,747
2025	1,130,604
2026	1,112,652
2027	1,095,271
2028	1,097,261

Restated Pension Plan for Lay Employees

The Diocese of San Bernardino maintains a defined benefit plan for lay employees. The plan was amended and restated on September 1, 2009. All regular and full-time employees of the Diocese shall be eligible to participate in the plan provided they agree to make the required contributions under the plan. The plan is funded in part by employee contributions of two percent of gross wages. The Diocese contributes 7.5% of payroll.

Benefits under the plan are determined based on a formula which takes into account years of service and the monthly average of total compensation paid during the five (5) consecutive years of participation when compensation was the highest. Effective with the plan year September 1, 2011, the benefit formula has been changed to take into account years of service and the monthly average total compensation paid during the ten (10) consecutive years of participation when compensation was the highest. Normal retirement is the first day of the month upon attaining age 65. Each year, an actuarial valuation is performed to determine the benefit security of the participants and the sufficiency of the Diocesan contributions on an ongoing plan basis.

For the plan year ended August 31, 2023, there are 1,982 total lay plan participants; covered payroll for 730 active participants was \$27,697,020.

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Notes to Financial Statements

June 30, 2023 and 2022

The changes in the pension benefit obligation and fair value of plan assets for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Benefit obligations, beginning of year	\$ 87,037,290	\$ 84,354,342
Service cost	1,289,173	1,352,000
Expected employee contributions	797,619	739,172
Interest cost	5,548,336	5,395,949
Actuarial loss/(gain)	1,429,040	(900,055)
Change in assumptions	13,091,842	566,132
Benefit payments	(5,158,202)	(4,470,250)
Benefit obligations, end of year	104,035,098	87,037,290
Fair value of plan assets, beginning of year	77,828,930	90,398,442
Actual return on plan assets	8,141,755	(11,343,038)
Actual employee contributions	955,851	943,971
Benefit payments	(5,158,202)	(4,470,250)
Employer contribution	2,283,133	2,299,805
Fair value of plan assets, end of year	84,051,467	77,828,930
Unfunded	\$ (19,983,631)	\$ (9,208,360)

Net periodic pension costs for the years ended June 30, 2023 and 2022 consisted of the following:

	2023	2022
Net periodic pension cost		
Service cost	\$ 1,289,173	\$ 1,352,000
Interest cost	5,548,336	5,395,949
Expected return on plan assets	(4,996,506)	(5,836,038)
Recognition of net gain	-	(340,363)
Net periodic pension cost	\$ 1,841,003	\$ 571,548

The following are weighted-average assumptions used to determine benefit obligations at June 30, 2023 and 2022:

	2023	2022
Discount rate	5.21%	6.50%
Rate of compensation increase	2.00%	3.50%

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Notes to Financial Statements

June 30, 2023 and 2022

The following are weighted-average assumptions used to determine net periodic pension cost for the years ended June 30, 2023 and 2022:

	2023	2022
Discount rate	5.21%	6.50%
Rate of compensation increase	2.00%	3.50%
Expected long-term rate of return on plan assets	5.21%	6.50%

The Diocese's expected long-term rate of return on plan assets assumption was derived from an analysis conducted by the Diocese's actuaries. The analysis included a review of the asset allocation strategy, anticipated future long-term performance of individual asset classes, and risks and correlations for each of the asset classes that comprise the asset allocation. While the analysis gives appropriate consideration to recent performance and historical returns, the assumption is primarily a long-term prospective rate.

The following table sets forth by level, within the fair value hierarchy, the pension plan's assets at fair value as of June 30, 2023 and 2022:

June 30, 2023	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 962,106	\$ 962,106	\$ -	\$ -
Equity mutual funds	53,078,699	53,078,699	-	-
Fixed income mutual funds	26,063,189	26,063,189	-	-
Real estate	3,947,473	-	3,947,473	-
	<u>\$ 84,051,467</u>	<u>\$ 80,103,994</u>	<u>\$ 3,947,473</u>	<u>\$ -</u>
June 30, 2022				
Cash and cash equivalents	\$ 815,648	\$ 815,648	\$ -	\$ -
Equity securities	3,179,234	3,179,234	-	-
Equity mutual funds	43,050,221	43,050,221	-	-
Fixed income mutual funds	26,394,688	26,394,688	-	-
Real estate	4,389,139	-	4,389,139	-
	<u>\$ 77,828,930</u>	<u>\$ 73,439,791</u>	<u>\$ 4,389,139</u>	<u>\$ -</u>

The pension benefit plan assets are carried at fair value in accordance with the fair value hierarchy as discussed in Note 4.

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Notes to Financial Statements

June 30, 2023 and 2022

In setting investment policies and strategies, the ability of the selected investment allocation to fund the pension plan liabilities effectively, meet the long-term return target, and align the selected allocation with the risk tolerance of the plan’s fiduciaries was taken into account. The strategic allocation has reduced exposure to market risk and increased allocation to asset classes which are not highly correlated, as well as asset classes where management has historically generated excess returns, and places greater emphasis on manager skills to produce excess return while employing various risk mitigation strategies to reduce volatility.

The Diocese expects to contribute \$2,337,000 to the pension plan in the 2024 fiscal year.

The following estimated future benefit payments, which reflect expected future service, as appropriate, are expected to be paid in following five fiscal years:

2024	\$ 6,115,622
2025	6,369,404
2026	6,664,391
2027	6,825,358
2028	6,927,905

Note 11 - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the fiscal year.

	2023	2022
Purpose of restrictions accomplished		
Mission and denominational support	\$ 583,491	\$ 851,964
Mission office expense	115,452	83,251
Grant expenses	183,248	287,158
Catholic Education Foundation grants	112,996	197,285
	\$ 995,187	\$ 1,419,658

Note 12 - Insurance Reserve Liability

The Diocese has established a self-insured reserve for automobile insurance coverage in the amount of \$250,000.

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Notes to Financial Statements

June 30, 2023 and 2022

Note 13 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

Net assets subject to donor-imposed restrictions that either lapse through the passage of time or can be satisfied through the actions of the Diocese, and endowment gains available for use under the Diocese's spending policy:

	2023	2022
Mission and denominational support		
Propagation of the Faith	\$ 969,681	\$ 887,734
Catholic Relief Services	572,568	393,695
Holy Childhood Association	10,851	19,769
National World Apostolates	193,233	185,785
Grant income	1,408,241	1,136,329
Bishop's charity work	686,569	413,995
Catholic Education Foundation	41,953	38,828
Family Trust for Charismatic Renewal	203,353	203,353
	\$ 4,086,449	\$ 3,279,488

Net assets restricted to investment in perpetuity through the Catholic Foundation Trust and trust agreements, the investment returns from which is expendable to support:

	2023	2022
Diocesan activities - RCB restricted	\$ 1,034,359	\$ 974,758
Seminarian activities and education - RCB restricted	5,759,996	5,365,929
Seminarian activities and education - donor restricted	3,337,087	3,113,435
Priest relief endowment - RCB restricted	9,676,081	8,247,858
Priests ongoing education - RCB restricted	76,781	72,399
Total	\$ 19,884,304	\$ 17,774,379

The corpus balance restricted to investment in perpetuity was \$12,951,135 at June 30, 2023.

The changes in endowment funds for the years then ended are as follows:

	2023	2022
Endowment funds, beginning of year	\$ 17,774,379	\$ 20,711,901
Interest and dividends	492,630	288,027
Gain (loss) in value of assets	1,464,203	(2,914,663)
Contributions	952,994	507,571
Fees	(34,463)	(40,316)
Distributions	(765,439)	(778,141)
Endowment funds, end of year	\$ 19,884,304	\$ 17,774,379

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Diocese has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

Note 14 - Catholic Umbrella Pool

The Catholic Umbrella Pool (the Pool or CUP) was created as a self-insurance fund for certain (Arch) Dioceses of The Roman Catholic Church in North America. Effective July 1, 1987, the Pool provides excess liability coverage for its membership. The Pool is responsible for the following coverage, as described in their disclosure statement, for:

Liability (Occurrence Based):

Pool Members:

July 1, 1987 to July 1, 1988	\$3,700,000 in excess of \$1,300,000
July 1, 1988 to July 1, 1999	\$3,500,000 in excess of \$1,500,000
July 1, 1999 to July 1, 2002	No exposure (reinsurance purchased)
July 1, 2002 to July 1, 2003	46% of \$3,500,000 in excess of \$1,500,000
	10% of \$15,500,000 in excess of \$5,000,000
July 1, 2003 to January 1, 2005	50% of \$3,500,000 in excess of \$1,500,000
	20% of \$15,500,000 in excess of \$5,000,000
January 1, 2005 to January 1, 2007	74.995% of \$3,500,000 in excess of \$1,500,000
	25% of \$15,500,000 in excess of \$5,000,000
January 1, 2007 to January 1, 2013	74.996% of \$3,500,000 in excess of \$1,500,000
	30% of \$15,500,000 in excess of \$5,000,000
January 1, 2013 to January 1, 2014	74.998% of \$3,500,000 in excess of \$1,500,000
	70.831% of \$3,500,000 in excess of \$1,500,000*
	40% of \$5,000,000 in excess of \$5,000,000
	30% of \$10,500,000 in excess of \$10,000,000
January 1, 2014 to January 1, 2019	75% of \$3,500,000 in excess of \$1,500,000
	(Includes Nursing Home Liability)
	40% of \$5,000,000 in excess of \$5,000,000
	30% of \$10,500,000 in excess of \$10,000,000
January 1, 2019 to present	100% of \$3,500,000 in excess of \$1,500,000
	75% of \$3,500,000 in excess of \$1,500,000*
	40% of \$5,000,000 in excess of \$5,000,000
	10% of \$10,500,000 in excess of \$10,000,000

*Excess Nursing Home Liability

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All Certificates issued by the Society (after CUP or CUP II retention, if applicable):

July 1, 2002 to July 1, 2003	10% of \$19,000,000 in excess of \$1,500,000
July 1, 2003 to January 1, 2005	20% of \$19,000,000 in excess of \$1,500,000
January 1, 2005 to January 1, 2007	25% of \$19,000,000 in excess of \$1,500,000
January 1, 2007 to January 1, 2013	30% of \$19,000,000 in excess of \$1,500,000
January 1, 2013 to January 1, 2019	40% of \$8,500,000 in excess of \$1,500,000
	30% of \$3,500,000 in excess of \$1,500,000*
	30% of \$10,500,000 in excess of \$10,000,000
January 1, 2019 to present	40% of \$8,500,000 in excess of \$1,500,000
	30% of \$3,500,000 in excess of \$1,500,000*
	10% of \$10,500,000 in excess of \$10,000,000

*Excess Nursing Home Liability

The Pool also participates at five percent for coverages in excess of \$500,000 to a limit of \$1,500,000 for certificates issued from July 1, 2007 to January 2012, and at ten percent for certificates issued from January 1, 2012 to January 1, 2013, and at forty percent for certificates issued after January 1, 2013.

Sexual Misconduct (Occurrence Based to July 1, 1990, Claims-Made Basis thereafter):

Pool Members (Occurrence Based):

July 1, 1987 to July 1, 1990	\$150,000 in excess of \$100,000
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All Certificates issued by the Society (Claims-Made Basis):

July 1, 1990 to present	30% of \$3,500,000 in excess of \$1,500,000
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These coverages are placed through the Catholic Mutual Relief Society of America and the Catholic Relief Insurance Company of America (CRIC), and include both Pool and non-Pool members. Member (Arch) Dioceses are liable for any losses beyond the Pool's responsibilities to fund such losses. A member may elect to obtain morality coverage outside the Pool with the approval of the Board of Trustees.

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Note 15 - Functional Expense

The following schedule presents the natural classification of expenses by function for the years ended June 30, 2023 and 2022:

	2023										
	Program					Management and Administrative		Total Management and			
	Pastoral Services	Education	Religious Personnel	Ministries and Social Services	Grants and Donations	Total Program	Diocesan Administration	Insurances	Administration	Fundraising	Total
Personnel costs	\$ 2,888,937	\$ 1,766,734	\$ 358,425	\$ 1,225,091	\$ -	\$ 6,239,187	\$ 3,010,321	\$ 4,275,755	\$ 7,286,076	\$ 266,182	\$ 13,791,445
Contract services	24,310	9,499	2,917	14,640	-	51,366	854,325	8,290	862,615	64,636	978,617
Facility, construction and equipment costs	932,964	148,284	2,523	404,817	6,928	1,495,516	218,516	3,275,846	3,494,362	14,766	5,004,644
Office, printing, and other expenses	386,092	92,124	15,662	88,796	252	582,926	480,450	216,833	697,283	333,702	1,613,911
Education and travel	65,347	290,453	45,217	90,400	256	491,673	36,048	104,988	141,036	10,276	642,985
Special events	144,637	46,175	410,803	63,566	-	665,181	11,014	1,571	12,585	606,061	1,283,827
Donations, gifts, charity, and subsidies	-	-	1,400,000	650,000	815,588	2,865,588	-	-	-	73,500	2,939,088
Diocesan dues and assessments	-	-	-	-	-	-	445,078	-	445,078	-	445,078
Interest expense	758	-	-	9,900	-	10,658	79,505	-	79,505	-	90,163
Total Expenses	\$ 4,443,045	\$ 2,353,269	\$ 2,235,547	\$ 2,547,210	\$ 823,024	\$ 12,402,095	\$ 5,135,257	\$ 7,883,283	\$ 13,018,540	\$ 1,369,123	\$ 26,789,758

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	2022										
	Program					Management and Administrative					
	Pastoral Services	Education	Religious Personnel	Ministries and Social Services	Grants and Donations	Total Program	Diocesan Administration	Insurances	Total Management and Administration	Fundraising	Total
Personnel costs	\$ 3,216,062	\$ 2,000,799	\$ 365,903	\$ 1,671,994	\$ -	\$ 7,254,758	\$ 2,888,806	\$ 3,475,024	\$ 6,363,830	\$ 254,899	\$ 13,873,487
Contract services	69,984	9,044	680	46,091	-	125,799	477,510	6,002	483,512	101,726	711,037
Facility, construction and equipment costs	843,778	85,028	146	395,027	6,853	1,330,832	162,851	2,824,678	2,987,529	10,686	4,329,047
Office, printing, and other expenses	364,311	71,299	15,975	48,947	57	500,589	546,197	323,172	869,369	379,338	1,749,296
Education and travel	112,955	318,296	57,130	57,061	31,662	577,104	16,458	65,874	82,332	7,889	667,325
Special events	-	21,863	333,541	46,245	-	401,649	778	5,724	6,502	641,413	1,049,564
Donations, gifts, charity, and subsidies	116,863	-	2,321,022	712,900	1,126,868	4,277,653	-	44	44	-	4,277,697
Diocesan dues and assessments	-	-	-	-	-	-	411,949	-	411,949	-	411,949
Interest expense	-	-	-	-	-	-	124,128	-	124,128	-	124,128
Total Expenses	\$ 4,723,953	\$ 2,506,329	\$ 3,094,397	\$ 2,978,265	\$ 1,165,440	\$ 14,468,384	\$ 4,628,677	\$ 6,700,518	\$ 11,329,195	\$ 1,395,951	\$ 27,193,530

Note 16 - Commitments and Contingencies

Litigation

The Diocese is involved in lawsuits arising in the ordinary course of its operations. In the opinion of management, the ultimate resolution of these lawsuits is not expected to have a material effect on the Diocese's financial position or change in net assets.

Note 17 - Subsequent Events

The Diocese's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 19, 2023, which is the date the financial statements were available to be issued.