Annual Report of the Finances for the e Diocese of Covington – June 30, 2024

he annual report of the Diocese of Covington shows the financial position and results of opera-tion of the Diocese for the years ended June 30, 2024, and 2023. The financial statements of the Diocese of Covington are audited by the certified public accounting firm of VonLehman & Company, Inc. The auditors' report on the financial statements includes an unmod ified opinion that the statements present fairly, in all material respects, the financial position of the Diocese of Covington and the related affiliates. An unmodified opin-ion is the highest level of assurance given by a public accounting firm.

The financial information presented herein includes the Diocese of Covington Curia offices which are fiscally responsible to and under the direct control of the Rishon of the Diocese. This includes the central administrative offices, program offices and departments of the Diocese, its ceme teries and retreat centers, the Diocesan/Parish Annual Appeal, seminarian recruitment and education, the care for elderly and infirmed priests, the Diocesan-wide secondary school support program, the Alliance for Urban Catholic



I am pleased to present you with the audited financial statements for the Diocese of Covington for the fiscal year ending June 30, 2024. As you review these reports, you will see that an independent public accounting firm has again issued an unmodified opinion that these statements present an accurate and thorough picture of Diocesan finances for the year. This is the highest level of assurance attainable. The Diocesan Finance Council reviewed these statements in December 2024. Now it is your turn to review them for yourself.

I take this opportunity to express my gratitude to the members of the Diocesan Finance Council and the staff of the Diocesan Finance Office. Their advice and diligence promote sound management of the resources you entrust to the Church. In doing so, they improve our ability to serve Christ and his mission.

As I have written in other places, there seems to be a renewed awareness in the Church Universal, as well as the Diocese of Covington, that the Church is in essence the living mission of

This mission is carried out in the time, talent and treasure the selfless gifts - that we all return to the Lord from grateful hearts. We each have a spiritual need to make a return to the Lord to acknowledge and rejoice in the fact that all we have and are, is received as a gracious gift from God.

The Diocesan management team and I strive to be trustworthy in shepherding responsibly the gifts that flow from such a sacred trust. In the columns of this report, you will discover the story of how we are working together to teach, heal and sanctify, through the proclamation of God's

As we begin this new year I thank God for each of you and entrust you to His loving care. Be assured of my prayers.

Please, pray for me and for our beloved Diocese of Covington.

In the Joy of the Jubilee Year.

+ John C. Stort Most Rev. John C. Iffert Bishon of Covington

Education (ACUE) school operations, and the Diocesan-

wide self-funded employee health insurance program.

Various religious orders, lay societies, religious organizations which operate within the Diocese, parishes, parish elementary schools, secondary schools and other related institutions are not included in the accompanying financial information.

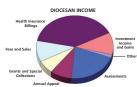
Results of Operations

During this past fiscal year, total revenues increased from the prior year by 8.0%. This is due mostly to increased health insurance billings (14.1%) and investment income and gains (16.4%) offset by reductions in miscellaneous other income (-10.9%).

Total expenses decreased by 3.5% due to decreases in priest post-employment benefits (45.7%), programmatic expenses (4.7%), fundraising expenses (6.3%) offset by increases in interest (11.8%) and secondary school fund grants (8.8%).

During the fiscal year ended June 30, 2024, the Diocese received operating revenue from the following sources

which it used to fund its various minis	tries and services.
Health insurance billings	\$ 11,657,540
Assessments	6,181,618
Fees and sales	3,204,139
Investment income/(losses)	3,363,823
Diocesan/Parish Annual Appeal	2,700,959
Grants and special collections	2,007,674
Other	479,115
Total Operating Revenue	\$ 29,594,868



 Parish assessments are comprised of three taxes on the parishes of the Diocese. The first two are applied to assessable income, which is defined by diocesan policy and includes offertory, net fundraising, school tuition, and bequest income. A 6.75% tax on the assessable income of all parishes provided \$3,056,282 of income to fund the administrative offices of the Diocese. A 5% tax on the assessable income of the parishes of Kenton, Campbell, Boone, and Mason counties provided \$2,291,696 of support for the secondary and urban schools of the Diocese. Lastly, in lieu of operating individual inner-city schools as parochial schools, the parishes of the inner-city core of the Diocese provide a subsidy to the Diocese to operate those schools as a consortium under the auspices of the Alliance for Catholic Urban Education (ACUE). This subsidy amounted to \$833,640.

 The Diocesan/Parish Annual Appeal for 2023 (ended on March 31, 2024; adjusted to fiscal year ended June 30, 2024) raised an amount totaling \$4,243,448. Of this amount \$1.542,489 was returned to parishes as relates for use in

 Grants, special collections, and contributions represent: 1) grant monies received which are distributed to Diocesan parishes and missions, 2) the seminary collection used for seminarian education and 3) bequests received by the Diocese

· Fees and sales represent the following for the

\$1.098.99
\$1,098,99
1,092,579
254,396
276,40
481,759
\$3,204,135

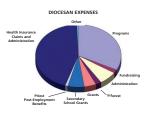
· Health insurance billings are premiums the Diocese and its entities charge themselves to fund the self-insured medical fund. This fund pays for the health insurance claims from doctors, hospitals and prescription drugs for Diocesan employees and covered dependents.

· Investment income/(loss) is the accumulation of interest, dividends, realized and unrealized gains/(losses) on investments held by the Diocese.

Operating Expense

During the fiscal year ended June 30, 2024, the Diocese incurred programmatic costs, grant-making and departmental evnenses as follows:

Health insurance claims/administration	\$ 11,797,715
Program expenses	8,599,486
Episcopal administration	1,830,799
Secondary school grants	1,652,001
Diocesan Grants	1,192,163
Interest expense	565,138
Fundraising expenses	481,299
Priest post-employment benefits	264,438
Other expenses	145,511
Total Operating Expense	\$ 26,528,550



June 3 \$ 7; 65, 65

> \$ 65, \$ 65

Roman Catholic Diocese of Covington, Diocesan O

CONSOLIDATED STATEMENTS OF FINANCIAL PC

· Health insurance claims and administration are the readm insurance craims and administration are the hospital and doctor bills and the prescription drugs costs for employees and their dependants who receive coverage under the Diocesan self-insured health insurance plan.

 Program expenses represent expenditures for carrying out the various ministries for the Diocese. These expenses include personnel salaries and benefits as well as direct expenses of the ministry. Program expenses are

Total Program Expenses	\$ 8,599,486
Clergy	423,10
and deacon formation	436,078
Seminary studies, vocations	
Community and pastoral services	781,486
Messenger	824,407
Cemeteries	890,023
Diocesan properties	985,111
Catholic Schools	994,055
ACUE expenses	\$3,265,22
-	

 Secondary school grants are made to the Diocesan urban and secondary schools for operating, scholarship, and capital purposes from the secondary school assess · Grants are made to various parishes, schools, and

other Diocesan institutions from the Annual Appeal and from other Diocesan revenues as follows: Priest Retirement Fund \$ 275,000 Cathedral Operations Catholic Charities 262.500 212,500 Inner city grants Educational assistance 110,000 Holy See 22 000 Mission Outreach 9,794 DPAA pledges 4.649 Other grants 21,733 Total Grants \$1,192,163

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24,348,796

4,809,390 (4,809,390)

1,830,799

28,528,550

2.629.636

5,246,072 29,594,868

436,682 29,594,868

1,830,799

26,528,550

436,682 3,066,318

21,953,731 10,877,166 32,830,897 32,926,062

\$ 24,583,367 \$ 11,313,848 \$ 35,897,215 \$ 32,830,897

• Priest post-employment benefits are the actuarially calculated cost of insurance for all retired priests as well as the costs of nursing care and assistance to infirmed priests.

Donor Restricted Assets

As of June 30, 2024, the Diocese holds net assets which are donor restricted or endowed. Donor restricted assets are subject to a specific purpose or the passage of time. For endowed assets, only the income may be used for the intended purpose of the endowment, the principal may not be expended. These funds are classified as follows:

Diocesan Annual Appeal	\$ 2,923,227
ACUE	1,763,910
General Education Need	300,689
Other Restrictions	532,923
	e = 500 740

Educational	2,485,218
Accumulated Net Appreciation	2,293,417
Property maintenance	942,386
Diocesan Annual Appeal	52,504
Social concerns	16,374
ACUE	3,200
	\$5,793,099
Total Donor Restricted Assets	\$ 11.313.848

Total

Total

\$ 5,873,547 2,680,387 921,917 468,116 1,350,885 618,299 1,638,450 471,172 3,118,339 10,216,284 66,439

27,403,635

9,025,763 513,435

1,757,579 86,351 1,200,328 505,336 486,830 1,518,601 12,302,514 102,063

27,498,800

(95,165)

Special Collections
The people of the Diocese of Covington have been extremely generous with their support of various agencies and relief efforts in our country and around the world. The following table is a listing of these Special Collections.

Religious Retirement Collection	\$ 157,573
Mission Cooperative (ACUE)	154,821
International and Domestic needs	148,907
Hawaii Wildfires	76,450
Holy Father collection for	
worldwide charities (Peter's Pence)	70,171
Opportunities for Life	19,479
Other special collections	9,803
Total Special Collections	\$ 637,204

Respectfully Submitted.

Kale Alexan Dale Henson, CPA Chief Financial Officer Diocese of Covington

olic Diocese of Covington, Diocesan Curia DATED STATEMENTS OF ACTIVITIES		Roman Catholic Diocese of Covington, Diocesan Curia CONSOLIDATED STATEMENTS OF CASH FLOWS
2024	2022	

Year Ended June 3

Cash Flows From Operating Activities		
Change in Net Assets	\$ 3,066,318	\$ (95,165)
Reconciliation of Change in Net Assets with		(00)100)
Cash Flows From Operating Activities		
Degreciation	717.568	718,554
Amortization of Debt Issuance Cost Included in Interest	15.163	15.163
Credit Loss Expense (Recovery)	33.749	(69.203)
Realized Gains on Investments	(1.642.068)	(1.350.685)
Unrealized Gains on Investments	(545,549)	(618,299)
Interest credited directly to deposits	187.400	150.842
Changes in	107,400	100,042
Accounts Receivable. Net	1.813	16.697
Unconditional Promises to Give, Net	104.341	(364,818)
Cemetery Property Held for Sale	27.512	43.725
Other Assets	95.866	(215.469)
		(215,469)
Right of Use Assets - Operating Leases	39,329	20.000
Accounts Payable, Accrued Expenses and Other Liabilities	(195,894)	21,438
Claims and Reserve for Incurred but not Reported Benefit Claims	300,721	261,501
Operating Lease Liabilities	(40,166)	
Cash Provided by Operating Activities	2,166,103	(1,485,719)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(254.366)	(293.007)
Purchases of Investments	(10,556,528)	(4,420,667)
Proceeds from Sales and Maturities of Investments	10.593.590	8.035.767
Issuance of New Loans	(4.030.282)	(988,344)
Payments Received on Loans	234,562	119,446
Cash (Used) / Provided by Investing Activities	(4,013,024)	2,453,195
Cash Flows from Financing Activities		
New Deposits Received	3,916,160	2,332,808
Withdrawals of Deposits	(2,561,126)	(3,492,340)
Payments on Notes Payable	(23,888)	(23,478)
Cash Provided / (Used) by Financing Activities	1,331,146	(1,183,010)
Net change in Cash and Cash Equivalents	(515,775)	(215,534)
		8,020,108
Cash, Beginning of Year	7,804,574	

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1024	2023		Year Ended June 30
.267,439	\$ 7,781,847		Revenues, Gains and Other Support
21,360	22,727		Parish Assessments
646.751	639,141		Diocesan Parish Annual Appeal Dividends and Interest
182,498	4,429,950		Grants and Special Collections
,193,686	6,072,189		
,832,724	1,937,065		Realized Gains on Investments
314,621	342,133		Unrealized Gains / (Losses) on Inves Contributions and Bequests
,106,016	23,054,314		Self-Insurance Premium Retention
.293,757	3,194,904		Self-Insurance Premium Retention Fees and Sales
,234,134	12,654,988		
667,611	763,477		Health Insurance Billings Other Income
128,999	-		Other Income
,889,596	60,892,735		Total revenue, Gains and Other S
			Net Assets Released From Restriction
			Total Revenue, Support, Gains,
			and Reclassifications
,958,853	1,903,846		1000 000 000 000 000 000 000 000 000 00
,100,000	799,279		Expenses
543,602	584,120		Programs
442,030	542,381		Fundraising
,951,477	10,409,043		Management and General:
,212,374	6,057,254		Episcopal Administration
,318,108	3,387,008		Settlements, Legal Fees and Counse
,337,775	4,378,907		Related to Sexual Abuse
128,162			Grants Made by Diocese
.992.381	28.061.838		Interest
,992,381	28,061,838		Priest Post Employment Benefits
			Secondary School Grants
			Health Insurance Claims and Adminis
			Contributions and Assessments
583.367	21.953.731		Total Expenses
,313,848	10,877,166		Change in Net Assets
,897,215	32,830,897		Net Assets at Beginning of Year
,889,596	\$ 60,892,735		Net Assets at End of Year
			Net Assets at End of Year Net Assets at End of Year