

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA**

WINONA, MINNESOTA

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA**

WINONA, MINNESOTA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Catholic Charities of the Diocese of Winona-Rochester
DBA Catholic Charities of Southern Minnesota

Opinion

We have audited the financial statements of Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota, (a Minnesota not-for-profit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Catholic Charities of the Diocese of Winona-Rochester, DBA Catholic Charities of Southern Minnesota as of June 30, 2025 and 2024 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 Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota 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; 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.

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 Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota's ability to continue as a going concern for one year after the date that the financial statements are 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 Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota'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 Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenue and other support on page 30 is presented for the purpose 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.

Russell & Associates, LLC

Winona, Minnesota
October 27, 2025

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND 2024**

	2025	2024
Assets		
Cash and cash equivalents	\$ 788,195	\$ 442,165
Receivables		
United Way Agencies	12,196	5,297
United States Conference of Catholic Bishops	16,728	98,900
Program fees, net of allowance for contractual adjustments of \$0 and \$5,000, respectively	70,578	99,884
Grants and fees for service	161,618	311,246
Contributions	-	4,361
Other	25,287	19,627
Less: allowance for uncollectible accounts	(1,972)	(11,699)
Investments	2,024,719	1,390,164
Other assets	60,264	30,651
Net property and equipment	512,521	509,915
Operating lease right of use asset	50,888	46,600
	\$ 3,721,022	\$ 2,947,111
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	\$ 298,203	\$ 337,393
Deferred revenue	-	59,289
Operating lease liability	52,134	46,600
	350,337	443,282
Net assets		
Without donor restrictions		
Board designated	1,075,458	1,075,458
Undesignated - investment in property and equipment	512,521	509,915
Undesignated	(65,302)	(683,141)
With donor restrictions		
Time/Purpose restricted	1,841,473	1,595,062
Endowment	6,535	6,535
	3,370,685	2,503,829
	\$ 3,721,022	\$ 2,947,111

See notes to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains, and other support			
Contributions			
Diocese of Winona-Rochester			
Annual appeal	\$ 230,171	\$ -	\$ 230,171
General and program specific support	178,809	-	178,809
Parish support	15,664	-	15,664
United Way campaigns	-	7,138	7,138
General donations	361,709	479,763	841,472
In-Kind donations	80,810	-	80,810
Private grants	277,387	-	277,387
Bequests	817,904	-	817,904
Program fees	241,097	-	241,097
Purchase of service	429,021	-	429,021
Government grants and fees	2,014,665	-	2,014,665
United States Conference of Catholic Bishops	743,226	-	743,226
Gain on disposal of equipment	3,040	-	3,040
Net investment return	191,953	-	191,953
Net assets released from restrictions	240,490	(240,490)	-
Total revenue, gains, and other support	5,825,946	246,411	6,072,357
Expenses			
Program services			
Adult advocacy	413,775	-	413,775
Pregnancy, parenting, and adoption	551,778	-	551,778
Family and individual counseling	104,691	-	104,691
Active aging	460,260	-	460,260
Medication application service	81,051	-	81,051
Parish social ministry	132,956	-	132,956
Community Warming Centers	1,600,877	-	1,600,877
Refugee resettlement	926,706	-	926,706
Administrative and general	852,278	-	852,278
Fundraising	81,129	-	81,129
Total expenses	5,205,501	-	5,205,501
Change in net assets	620,445	246,411	866,856
Net assets, beginning of year	902,232	1,601,597	2,503,829
Net assets, end of year	\$ 1,522,677	\$ 1,848,008	\$ 3,370,685

See notes to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains, and other support			
Contributions			
Diocese of Winona-Rochester			
Annual appeal	\$ 221,198	\$ -	\$ 221,198
General and program specific support	178,809	-	178,809
Parish support	14,970	-	14,970
United Way campaigns	-	6,823	6,823
General donations	393,607	477,361	870,968
In-Kind donations	36,606	-	36,606
Private grants	96,145	-	96,145
Bequests	362,843	-	362,843
Program fees	393,471	-	393,471
Purchase of service	454,966	-	454,966
Government grants and fees	1,641,009	-	1,641,009
United States Conference of Catholic Bishops	539,296	-	539,296
Gain on disposal of equipment	(14,452)	-	(14,452)
Net investment return	158,678	-	158,678
Net assets released from restrictions	408,759	(408,759)	-
Total revenue, gains, and other support	<u>4,885,905</u>	<u>75,425</u>	<u>4,961,330</u>
Expenses			
Program services			
Adult advocacy	411,915	-	411,915
Pregnancy, parenting, and adoption	389,907	-	389,907
Family and individual counseling	291,437	-	291,437
Active aging	421,982	-	421,982
Medication application service	106,320	-	106,320
Parish social ministry	140,070	-	140,070
Community Warming Centers	1,519,005	-	1,519,005
Refugee resettlement	796,557	-	796,557
Administrative and general	871,898	-	871,898
Fundraising	95,397	-	95,397
Total expenses	<u>5,044,488</u>	<u>-</u>	<u>5,044,488</u>
Change in net assets	(158,583)	75,425	(83,158)
Net assets, beginning of year	<u>1,060,815</u>	<u>1,526,172</u>	<u>2,586,987</u>
Net assets, end of year	<u>\$ 902,232</u>	<u>\$ 1,601,597</u>	<u>\$ 2,503,829</u>

See notes to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services									Support Services		
	Adult Advocacy	Child and Family Services	Family & Individual Counseling	Active Aging	Medication Application Service	Parish Social Ministry	Community Warming Centers	Refugee Resettlement	Total	Administrative and General	Fundraising	Total
Salaries	\$ 314,568	\$ 233,651	\$ 74,572	\$ 266,920	\$ 22,383	\$ 75,782	\$ 1,158,275	\$ 397,334	\$ 2,543,485	\$ 421,709	\$ 21,494	\$ 2,986,688
Employee benefits	25,951	48,604	4,230	54,681	16,055	29,529	84,169	54,110	317,329	78,705	4,131	400,165
Payroll taxes	27,533	19,391	8,027	19,561	3,924	4,560	100,948	44,076	228,020	40,505	2,527	271,052
Professional fees	8,073	7,637	4,794	29,394	1,260	343	1,888	9,604	62,993	149,108	5,058	217,159
Supplies	267	37,189	-	10,147	20	13	46,768	1,601	96,005	14,947	696	111,648
Communication	5,233	2,460	-	2,656	-	692	8,910	601	20,552	22,223	-	42,775
Occupancy	21,409	24,299	3,486	18,326	1,757	7,394	181,153	32,983	290,807	33,539	-	324,346
Equipment maintenance and rental	837	526	-	199	-	283	4,903	2,566	9,314	12,132	1,315	22,761
Printing, publications, and postage	2,904	17,110	219	3,307	236	75	3,853	7,359	35,063	15,279	45,650	95,992
Transportation	5,026	6,012	-	48,716	122	10,276	3,535	7,035	80,722	14,531	197	95,450
Conferences, meetings, and conventions	1,102	524	-	3,703	-	3,367	161	50	8,907	3,448	-	12,355
Specific assistance to individuals	72	151,883	-	-	35,294	-	800	369,387	557,436	-	-	557,436
Organization dues	800	2,477	-	2,650	-	75	3,290	-	9,292	3,673	61	13,026
Miscellaneous	-	15	9,363	-	-	567	-	-	9,945	3,266	-	13,211
Depreciation	-	-	-	-	-	-	2,224	-	2,224	39,213	-	41,437
Total	\$ 413,775	\$ 551,778	\$ 104,691	\$ 460,260	\$ 81,051	\$ 132,956	\$ 1,600,877	\$ 926,706	\$ 4,272,094	\$ 852,278	\$ 81,129	\$ 5,205,501

See notes to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services									Support Services		
	Adult Advocacy	Child and Family Services	Family & Individual Counseling	Active Aging	Medication Application Service	Parish Social Ministry	Community Warming Centers	Refugee Resettlement	Total	Administrative and General	Fundraising	Total
Salaries	\$ 301,396	\$ 160,220	\$ 235,790	\$ 229,516	\$ 41,447	\$ 81,929	\$ 1,087,705	\$ 339,194	\$ 2,477,197	\$ 436,649	\$ 24,981	\$ 2,938,827
Employee benefits	36,780	32,312	15,015	56,349	14,953	25,758	108,451	39,188	328,806	66,058	1,294	396,158
Payroll taxes	25,449	13,851	21,648	18,412	3,843	7,091	91,395	35,641	217,330	53,649	1,647	272,626
Professional fees	8,630	3,168	6,194	34,330	1,209	2,764	6,152	9,824	72,271	158,252	31,914	262,437
Supplies	693	12,888	29	4,001	51	228	39,951	787	58,628	11,502	1,355	71,485
Communication	4,898	1,787	-	3,403	75	795	8,129	995	20,082	26,535	-	46,617
Postage	609	31	348	830	263	122	-	33	2,236	6,209	15,103	23,548
Occupancy	15,916	21,603	11,957	24,278	1,321	1,502	157,492	18,882	252,951	35,320	-	288,271
Equipment maintenance and rental	93	3,200	-	3,172	-	-	6,284	406	13,155	12,290	-	25,445
Printing and publications	1,430	8,443	-	3,307	436	278	3,112	1,741	18,747	7,101	18,627	44,475
Transportation	12,362	3,816	206	35,405	156	3,961	1,372	9,046	66,324	11,001	267	77,592
Conferences, meetings, and conventions	2,300	854	-	1,358	0	1,192	375	10	6,089	1,236	209	7,534
Specific assistance to individuals	-	125,055	-	-	42,566	13,475	19	340,810	521,925	-	-	521,925
Organization dues	270	2,679	250	1,930	-	75	6,364	-	11,568	3,755	-	15,323
Miscellaneous	1,089	-	-	5,691	-	900	-	-	7,680	3,513	-	11,193
Depreciation	-	-	-	-	-	-	2,204	-	2,204	38,828	-	41,032
Total	\$ 411,915	\$ 389,907	\$ 291,437	\$ 421,982	\$ 106,320	\$ 140,070	\$ 1,519,005	\$ 796,557	\$ 4,077,193	\$ 871,898	\$ 95,397	\$ 5,044,488

See note to financial statements.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 866,856	\$ (83,158)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	41,437	41,032
Bad debt expense	2,617	1,300
Donated investments	-	(5,023)
Loss on disposal of equipment	(3,040)	14,452
Net gain on investments	(160,182)	(119,983)
(Increase) decrease in operating assets		
Receivables	240,564	269,548
Operating lease right-of-use asset	(4,288)	16,335
Other assets	(29,613)	21,944
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(39,190)	(12,193)
Deferred revenue	(59,289)	56,789
Operating lease liability	5,534	(16,364)
Net cash provided (used) by operating activities	861,406	184,679
Cash flows from investing activities		
Purchases of property and equipment	(44,043)	(25,281)
Proceeds from the sale of property and equipment	3,040	16,841
Purchase of investments	(858,027)	(1,299,715)
Proceeds from the sale of investments	383,654	1,353,162
Net cash provided by investing activities	(515,376)	45,007
Net increase (decrease) in cash and cash equivalents	346,030	229,686
Cash and cash equivalents, beginning of year	442,165	212,479
Cash and cash equivalents, end of year	\$ 788,195	\$ 442,165
Supplemental disclosures		
Non-cash financing activities		
Donated investments	\$ -	\$ 5,023

See notes to financial statements.

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 1 – Nature of Organization

Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota (we, us, our), is a nonprofit Minnesota corporation organized for the purpose of carrying out charitable activities of the Roman Catholic church in that part of Minnesota comprising the Catholic Diocese of Winona-Rochester (the “Diocese”). The Board of Directors is appointed by the Bishop of the Diocese. We are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state tax codes.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting – Our financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require us to report information regarding our financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing our primary objectives. These net assets may be used at the discretion of our management and the Board of Directors.

Net assets with donor restrictions – Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those will be met by our actions or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents – We consider all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 2 – Summary of Significant Accounting Policies – continued

Financial Instruments and Credit Risk – We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses on any of these accounts. Investments are made by agency investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that the investment policies and guidelines are prudent for the long-term welfare of our organization.

Program Fee Receivables – Program fee receivables are carried at original invoice amount, less an estimate made for contractual and sliding fee adjustments, and for doubtful receivables based on a review of all outstanding amounts. We determine the allowance for uncollectible accounts by evaluating historical loss information, individual customer receivables and considering a customer’s financial condition, credit history, and current economic conditions. Program fee receivables are written off when deemed uncollectible. Recoveries of program fee receivables previously written off are recorded as income when received.

Investments - Shares of common/collective trust funds are reported at fair value based on unit prices quoted by the funds, representing the fair value of the underlying investments. Agency funds are reported at fair value based on our account value provided by the agent, representing the fair value of the underlying investment. Marketable securities traded on a national exchange are stated at fair value based on quoted market prices. Unrealized gains and losses are reported as a component of investment income based on the change in fair value between reporting periods. Realized gains and losses are reported as a component of investment income based on the original cost of the investment sold and the price at the time of sale. Interest and dividend income are recognized when earned.

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 2 – Summary of Significant Accounting Policies – continued

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity’s assumptions (unobservable inputs). We group assets at fair value into three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, include:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observed for the assets/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

The inputs and methodology used for valuing our financial assets and liabilities are not indicators of the risks associated with those instruments.

Property and Equipment – We record property and equipment with a purchase price exceeding \$1,000 and an expected useful life greater than one year at cost; or if donated, at fair value at the date of donation. Property and equipment costing \$1,000 or less, even with an expected life exceeding one year, and repairs and maintenance are expensed as incurred. Depreciation is provided over useful lives varying from 3 to 40 years using the straight-line method.

Funds Held for Others – Assets received in which we are acting as an intermediary between a donor and donee are reported as a liability at the time of receipt. Upon payment to the donee, the liability is removed.

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 2 – Summary of Significant Accounting Policies – continued

Revenue and Revenue Recognition

Contributions – Contributions are recognized as revenue in the period received in the form of cash, unconditional promises to give, other assets, or decreases in liabilities. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received, that are designated for future periods or restricted by the donor for specific purposes, are reported as net assets with donor time / purpose restrictions or net assets with donor restrictions in perpetuity that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor time / purpose restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Net assets with donor restrictions - endowment amounts are to be held in perpetuity. A conditional promise to give is recognized when the conditional promise becomes unconditional.

Program Fees and Purchase of Service – Revenue from fees, net of contractual adjustments, is recognized in the period the services are provided. We recognize revenue from our various fee for service programs during the year in which the related services are provided to individuals. The performance obligation of delivering services is simultaneously received and consumed by the individuals, therefore, the revenue is recognized at the time the services are delivered.

Grants – A portion of our revenue is derived from cost-reimbursable federal, state, and other agency contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received but unearned are recorded as deferred revenue.

In-Kind Donations – Contributed non-financial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. In addition to donated non-financial assets, volunteers contribute time; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

**CATHOLIC CHARITIES OF THE
DIOCESE OF WINONA-ROCHESTER
DBA CATHOLIC CHARITIES OF SOUTHERN MINNESOTA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 2 – Summary of Significant Accounting Policies – continued

Functional Expenses Allocation – The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Most expenses are directly charged to the related programs. We allocate certain other costs to programs and supporting services benefited. We allocate other payroll expenses based on the time spent in each program by employees and other occupancy based on usage. The charitable activities of the Agency conducted within the Diocese result from the operation of the following programs:

Adult Advocacy – Serves individuals deemed unable to make decisions in their personal best interest. We offer court appointed and non-court appointed services including guardianship, conservatorship, power of attorney, trustee, personal representative of estate, health care agent, and supported decision maker services. We served 99 individuals during the current fiscal year.

Child & Family Services includes -

Pregnancy Counseling – Offers free confidential support for those who are pregnant. In fiscal year 2025 we supported 799 new and expectant mothers.

Adoption – Assists with placing children in adoptive homes and completing adoption home studies for domestic and international adoption.

Post Adoption – Provides ongoing support, adoption reunions, or medical information for adopted persons who were placed through Catholic Charities of Southern Minnesota.

Onward and Upward Program - Supports low-income single parents as they pursue a degree in the healthcare field through mentoring, scholarships, and emergency financial assistance.

Family & Individual Counseling - Provided families, couples, and individuals with affordable and effective professional counseling services. Service discontinued December 2024.

Active Aging – Provides individuals at or above age 55 with volunteer opportunities in their local community. In fiscal year 2025, 1,103 Common Good Retired Seniors Volunteer Program (RSVP) volunteers provided 113,708 hours of service to 160 not for profit agencies in their communities. The Active Aging program also provides a variety of exercise and financial programs for older adults.

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Note 2 – Summary of Significant Accounting Policies – continued

Functional Expense Allocation – continued

Medication Application Service – Assists low-income, uninsured individuals with costs of prescription medications, medical supplies, and medical devices. In fiscal year 2025, 111 clients of the Patient Assistance Program received 530 prescription medications from pharmaceutical manufacturers at no cost, valued at approximately \$992,937, and Emergency Cash Assistance provided 228 prescriptions to 91 unique individuals of approximately \$32,639.

Parish Social Ministry includes –

Parish Social Ministry – Offers leadership and service to the people and institutions of the diocesan church in their task of bringing the church’s social mission to life.

Disaster Relief – Provides financial assistance to those affected by flood, drought, fire, or other disasters.

Emergency Shelter – Operates three shelters for homeless adults in the Winona and Rochester areas: a seasonal overnight shelter and a year-round day shelter in Winona, and a year-round overnight shelter in Rochester. Services include shelter, showers, laundry facilities, snacks and beverages, fellowship, and referrals for additional assistance. In 2025, these shelters collectively served approximately 675 individuals and provided over 29,395 nights of shelter.

Refugee Services – Supports refugees in their transition to self-sufficiency through employment assistance, job placement, connection to community resources, and educational workshops. In 2025, the program resettled 104 individuals and focused on helping them build skills, access services, and build connections with their new communities.

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

Advertising – We expense advertising costs as incurred. Advertising expenses for the years ended June 30, 2025 and 2024 were \$29,885 and \$8,635, respectively and are included in “printing and publications” in the statement of functional expenses.

Short-Term Leases – A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

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Note 2 – Summary of Significant Accounting Policies – continued

Leases – We lease office equipment and space for program and office use. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on our balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use the risk-free discount rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

We do not report ROU assets and lease liabilities for short-term leases (leases with a term of 12 months or less). The lease payments of these leases are reported as lease expense as incurred.

Note 3 – Liquidity and Availability

We receive contributions with donor restrictions to be used in accordance with associated purpose restrictions. We also receive gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs.

We consider investment income without donor restrictions, appropriated earnings from donor-restricted and board designated quasi-endowments, contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to our annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during our fiscal year.

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Note 3 – Liquidity and Availability - continued

We manage our cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations that support mission fulfillment will continue to be met, ensuring our sustainability.

We strive to maintain sufficient financial assets to meet general expenditures for general and administrative expenses for the next year plus an amount that represents the next year’s anticipated grant commitments.

The following table presents financial assets available for general expenditures within one year at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 788,195	\$ 442,165
Receivables	285,881	529,062
Investments	<u>2,024,719</u>	<u>1,390,164</u>
Total financial assets	3,088,795	2,361,391
Less amounts not available to be used within one year:		
Endowments	6,535	6,535
Net assets with purpose restrictions	1,841,473	1,595,062
Board-designated funds (quasi-endowment)	275,458	275,458
Board-designated	<u>800,000</u>	<u>800,000</u>
	<u>2,923,466</u>	<u>2,677,055</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 165,329</u>	<u>\$ (315,664)</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in savings, certificates of deposit, and money market funds. The board-designated amounts could be made available, if necessary.

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JUNE 30, 2025 AND 2024**

Note 4 – Fair Value Measurements

The fair value of financial assets measured at fair value on a recurring basis was determined using the following inputs at June 30, 2025 and 2024:

		June 30, 2025			
		Level 1	Level 2	Level 3	Total
Investments:					
Agency Fund					
Catholic Foundation of Southern MN	\$	-	2,024,719	-	\$ 2,024,719
	\$	-	2,024,719	-	\$ 2,024,719
		June 30, 2024			
		Level 1	Level 2	Level 3	Total
Investments:					
Agency Fund					
Catholic Foundation of Southern MN	\$	-	1,254,317	-	\$ 1,254,317
Christian Brothers Investment Services					
CUIT Balanced Fund		-	126,114	-	126,114
CUIT Short-Term Government Bond Fund		-	9,733	-	9,733
	\$	-	1,390,164	-	\$ 1,390,164

During the year ended June 30, 2024, we transferred our level 1 stock and mutual funds to a level 2 Agency Fund at Catholic Foundation of Southern Minnesota. There were no transfers between Level 1, 2, and 3 during the year ended June 30, 2025.

Investments in marketable securities are measured at fair value on a recurring basis using Level 1 inputs. The value is determined using the closing market price on the stock exchange where they are traded. Level 2 assets are funds held in Catholic United Investment Trust (CUIT) and an Agency Fund at the Catholic Foundation of Southern Minnesota. The values are based on values reported by the trust/foundation based on their evaluation of inputs that are derived principally from or corroborated by other observable market data.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value because of the terms and relatively short maturity of these financial instruments.

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NOTES TO FINANCIAL STATEMENTS
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Note 5 – Contributions Receivable

Contributions receivable consist of unconditional promises to give. At June 30, 2025 and 2024, contributions receivable are as follows:

	2025	2024
Receivable in less than one year	\$ -	\$ 4,361
Receivable in one to five years	-	-
More than five years	-	-
	\$ -	\$ -

Note 6 – Investments

Investment securities outstanding at June 30, 2025 and 2024 are as follows:

June 30, 2025			
<u>Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain / (Loss)</u>
Agency Fund			
Catholic Foundation of Southern MN	\$ 1,865,238	\$ 2,024,719	\$ 159,481
	\$ 1,865,238	\$ 2,024,719	\$ 159,481
June 30, 2024			
<u>Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain / (Loss)</u>
Agency Fund			
Catholic Foundation of Southern MN	\$ 1,237,212	\$ 1,254,317	\$ 17,105
Christian Brothers Investment Services			
CUIT Magnus Fund	26,725	126,114	99,389
CUIT Short-Term Government Bond Fund	9,856	9,733	(123)
	\$ 1,273,793	\$ 1,390,164	\$ 116,371

Reconciliation of investment income for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Interest and dividends income	\$ 47,756	\$ 46,436
Realized gains	117,073	308,962
Unrealized gains (losses)	43,110	(188,979)
Investment fees expense	(15,986)	(7,741)
Net Investment return	\$ 191,953	\$ 158,678

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Note 6 – Investments - continued

Agency funds are held by the Catholic Foundation of Southern Minnesota. The agent has no variance of power, and title to all money, property, and income in the fund remains exclusively with Catholic Charities. Distribution from the funds, up to and including the full balance of the fund less any unpaid fees, can be made upon our written request.

Note 7 – Property and Equipment

Property and equipment at June 30, 2025 and 2024 are summarized by major classification as follows:

	<u>2025</u>		<u>2024</u>
Land	\$ 81,688	\$	81,688
Office building	570,344		570,344
Automobiles	111,849		84,801
Computers and communications equipment	89,377		89,078
Furniture and fixtures	23,888		23,888
Leasehold improvements	26,843		26,843
Less: Accumulated depreciation	(391,468)		(366,727)
Net book value	\$ <u>512,521</u>	\$	<u>509,915</u>

Note 8 – Endowment Funds

Our endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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Note 8 – Endowment Funds - continued

Interpretation of Relevant Law

Our Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, we classify as net assets with donor restrictions – endowments (a) the original value of gifts donated to the endowment fund, (b) the original value of subsequent gifts to the endowment fund, and (c) accumulations to the endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted endowment is classified as time/purpose restricted until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, we consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. Our purposes and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Our other resources
7. Our investment policies

Following is a summary of the endowment net asset composition by fund type for the years ending June 30, 2025 and 2024:

	June 30, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 6,535	\$ 6,535
Board-designated Quasi-endowment	275,458	-	275,458
Total funds	\$ 275,458	\$ 6,535	\$ 281,993

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Note 8 – Endowment Funds – continued

		June 30, 2024		
		Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted				
endowment funds	\$	-	\$ 6,535	\$ 6,535
Board-designated				
Quasi-endowment		275,458	-	275,458
Total funds	\$	275,458	\$ 6,535	\$ 281,993

Net assets with donor restrictions are the portion of perpetual endowment funds that are required to be retained permanently either by explicit donor stipulation or by SPMIFA.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires us to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2025 and 2024.

Strategies Employed for Achieving Objectives

To satisfy our long-term rate-of-return objectives, we rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). We target a diversified asset allocation to achieve our long-term total return consonant with our risk tolerance.

Return Objectives and Risk Parameters

We have adopted investment and spending policies for endowment assets that emphasize the conservation of principal and preservation of purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that we must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in fixed income and equity securities. Assets will be managed and diversified in accordance with socially responsible investing guidelines, generally accepted principles of the prudent investor rule and to provide annual investment return objectives.

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NOTES TO FINANCIAL STATEMENTS
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Note 8 – Endowment Funds – continued

Allocation of Earnings to Net Assets With / Without Donor Restrictions

Earnings on restricted assets are distributed according to the intentions of the donor and are allocated to net assets with donor restriction funds, if the donor has specified a particular purpose or to enable a passage of time. All other earnings are allocated to net assets without donor restriction funds. Currently, earnings are allocated as net assets time / purpose restricted to the Hunger Fund, and as net assets without donor restrictions to the Refugee Resettlement program and general operations.

Spending Policy and How the Investment Objectives Relate to Spending Policy

We do not have a spending policy. Endowment assets are co-mingled with other investments. We transfer funds from investments as needed to meet current operations.

Note 9 – Net Assets

Net assets without donor restrictions - board designated consist of quasi-endowment funds and funds set aside for program development and sustainability. The board has designated that the quasi-endowment principal is to remain intact and the income from the investments of the funds may be expended for our regular operations. Net assets without donor restrictions – board designated amounts at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Quasi-endowment	\$ 275,458	\$ 275,458
Program development & sustainability	800,000	800,000
	<u>\$ 1,075,458</u>	<u>\$ 1,075,458</u>

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Note 9 – Net Assets – continued

Net assets with donor restriction that are time / purpose restricted as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Time restricted net assets:		
C Bias Ministry Training	\$ 12,423	\$ 12,423
Purpose restricted net assets:		
A Call for Change	251,558	127,440
Children’s benefit	19,494	17,036
Emergency Assistance	39,197	5,130
Flood/Disaster recovery	79,875	59,875
Financial literacy	49,375	49,724
Hunger relief	38,686	37,499
MediApps	39,723	36,659
Mother/Child Fund	61,110	51,925
Onward & Upward	101,477	92,841
Pregnancy, parenting, adoption	151,523	35,290
Project Rachel	93,207	88,207
Refugee resettlement	146,062	109,750
Rochester Warming Center	402,355	549,860
Senior citizen needs	62,811	57,052
Slebodnik – adoption	3,489	6,942
Winona Day Center	163,180	138,997
Winona Warming Center	86,550	81,688
Other	39,378	36,724
Total time/purpose restricted net assets	\$ <u>1,841,473</u>	\$ <u>1,595,062</u>

Net assets with donor restrictions in perpetuity of \$ 6,535 at June 30, 2025 and 2024 consist of an endowment, the income from which is expendable to support general operations.

Note 10 – Income Taxes

Our income tax filings are subject to audit by the Internal Revenue Service or the Minnesota Department of Revenue. Our open audit periods are for the years ending June 30, 2022 through June 30, 2025.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 11 – Defined Contribution Retirement Plan

We have a 403(b) defined contribution retirement plan through the Diocese of Winona-Rochester covering substantially all of our employees. An employee can contribute up to \$23,500 and \$23,000 of their gross salary annually and an additional \$7,500 for employees over 50 for the years ended June 30, 2025 and 2024, respectively. We contribute 3% of gross salary for all employees. In addition, if an employee contributes to the plan, we match up to 3% of their contribution. Employer retirement contributions totaled \$120,076 and \$128,232 for the years ended June 30, 2025 and 2024, respectively.

Note 12 – In-Kind Donations

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included the following:

	2025	2024
Advertising through Google AdWords	\$ 8,435	\$ 1,025
Office space usage	1,050	2,520
Warming Center space usage (5 months)	21,000	21,000
Exercise class space	8,325	-
Supplies	42,000	12,061
Total in-kind donations	\$ 80,810	\$ 36,606

Contributed advertising provided by Google AdWorks program was recorded based on clicks recorded and fair market value per click provided by Google and recorded to advertising expense.

Space usage was recorded at donor estimate of rent value for period of use and is recorded to rent expense.

Donated supplies from a diaper, wipe, and newborn bundle donation campaign were recorded at estimated retail cost and recorded to specific assistance to individuals expense. Other donated supplies were valued based on Salvation Army donation guide and is recorded to supplies expense.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 13 – Leases

We lease office and program space under long-term operating leases expiring at various dates through 2025 and 2026, and office equipment expiring in 2027. We have month-to-month operating leases for office and direct assistance program space and short-term leases for office space. We had short-term lease expenses of \$26,266 and \$39,364 for the years ending June 30, 2025 and 2024, respectively. We have not entered into any financing leases.

Rent expense was \$480,663 and \$456,031 for the years ended June 30, 2025 and 2024, respectively. Included in rent expense was in-kind rent of \$30,375 and \$23,520, and programs direct assistance rent of \$313,227 and \$300,798 for the years ending June 30, 2025 and 2024, respectively.

The components of lease expense were as follows:

Year Ended June 30,	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 72,052	\$ 83,843

Other information related to leases for the year ended December 31, was as follows:

Year Ended June 30,	<u>2025</u>	<u>2024</u>
Supplemental cash flows information:		
Cash paid for operating leases	\$ 70,806	\$ 83,872
Right-of-use assets obtained in exchange for operating lease obligations	\$ 50,888	\$ 46,600
Weighted average remaining operating lease term	1.2 years	1.0 years
Weighted average operating discount rate, risk-free borrowing rate	3.7%	4.7%

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 13 – Leases – continued

Future minimum lease payments under non-cancellable leases were as follows:

Years Ending June 30,	2025
2026	\$ 51,412
2027	1,577
2028	-
2029	-
2030	-
Total future minimum lease payments	52,989
Less: imputed interest	(855)
Future minimum lease payments	\$ 52,134

Note 14 – Bad Debt Write-offs

We exhaust all efforts to collect outstanding client overdue account balances from prior years. We wrote off \$17,344 and \$2,567 as bad debts for accounts we deemed uncollectible for the years ended June 30, 2025 and 2024, respectively. These amounts, net of usage and recording of bad debt allowances, are included in miscellaneous expenses in the statements of functional expenses.

The 2025 write-offs consist almost entirely of outstanding counseling client account balances which were deemed uncollectable at the close down of our counseling program during the year ended June 30, 2025. A vast majority of these write-offs were previously reserved for in our allowance for uncollectible accounts and allowance for contractual adjustments, thus had minimal impact on our bad debt expense during the year then ended.

Note 15 - Related Party Transactions

The Bishop and Vicar General of the Diocese of Winona-Rochester serve as the President and Vice President, respectively, of our Board of Directors. The Bishop of the Diocese of Winona-Rochester also appoints the Board of Directors.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 15 - Related Party Transactions – continued

We had transactions with the Diocese of Winona-Rochester for the years ended June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Pension	\$ 120,076	\$ 128,232
Employee benefits	276,766	267,923
Insurance	29,497	29,509
IT Services	17,468	20,427

At June 30, 2025 and 2024, we owed \$0 and \$3,067, respectively, to the Diocese of Winona-Rochester.

We receive both program specific and general support in the form of grants from the Diocese of Winona-Rochester. The total support received for the years ending June 30, 2025 and 2024 was \$178,809 and \$178,809, respectively.

In March 2024, we entered into an Agency Fund agreement with the Catholic Foundation of Southern Minnesota, a party related to the Diocese of Winona-Rochester, as an Agent for investment funds. Fair market value of investment funds at June 30, 2025 was \$2,024,719, net of investment fees of \$15,986

Note 16 – Beneficial Interest in Trusts and Funds

We are a 6.67% beneficiary in two Charitable Remainder Unitrusts administered by a bank. Our interest in the trusts is not recorded in the financial statements because the Trustee may make distributions from principal for charitable, religious, scientific, literary, or educational purposes. Thus, future distributions are not guaranteed. Also, the trusts shall terminate if the Trustee determines that the continued administration of the trusts could be unduly burdensome or expensive to the beneficiaries. We account for distributions received from the trusts as revenue without donor restrictions net income, as the income can be used to fund our daily operations. For the years ended June 30, 2025 and 2024, \$17,445 and \$20,994 of income were derived from the trusts, respectively, and are included in bequests. At June 30, 2025 and 2024, our 6.67% share of the fair market value of the trusts' assets was \$410,587 and \$391,377, respectively.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

Note 16 – Beneficial Interest in Trusts and Funds - continued

In addition, the Winona Diocesan Council of Catholic Women on April 5, 2017, established an endowment fund with the Catholic Foundation of Southern Minnesota. The exclusive purpose of the fund is to operate as an endowment for the benefit of Catholic Charities of the Diocese of Winona-Rochester DBA Catholic Charities of Southern Minnesota. As of June 30, 2025 the fund's principal value is \$111,188. We may determine the timing of withdrawals from the accumulated investment earnings of the fund. For the year ended June 30, 2025, we received no withdrawals from the fund, and accumulated undistributed earnings were \$23,806. At June 30, 2025 and 2024 the balance of the fund was \$134,995 and \$120,671, respectively.

Note 17 – Commitments

We entered into a written agreement with a managed IT services firm from July 1, 2022 through June 30, 2025. We paid monthly fees which totaled \$88,272 and \$85,560 for fiscal year ended June 30, 2025 and 2024, respectively. We entered into a new agreement for July 1, 2025 – June 30, 2028. The estimated fees for services under the new agreement are approximately \$292,000 for the remaining year of the term.

We entered into a written agreement with a managed voice communications provider from June 1, 2025 – May 31, 2028. Estimated fees for service and equipment are approximately \$18,725 for the remainder of the term.

Note 18 – Concentrations

We maintain cash accounts at various financial institutions. The banks guaranteed each account with the Federal Deposit Insurance Corporation (FDIC). Cash on deposit exceeded the FDIC limit by approximately \$189,900 and \$164,600 at June 30, 2025 and 2024, respectively.

Note 19 – Subsequent Events

Subsequent events were evaluated through October 27, 2025, which is the date the financial statements were available to be issued.

No other events have occurred subsequent to the date of the financial statements and through the date of issuance that are required to be disclosed in accordance with generally accepted accounting standards.

**CATHOLIC CHARITIES OF THE DIOCESE OF WINONA-ROCHESTER
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SCHEDULE OF REVENUE AND OTHER SUPPORT
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
Diocese of Winona-Rochester:		
General Support	\$ 100,038	\$ 100,038
Program Specific Support:		
Emergency Services	16,000	16,000
Parish Social Ministry	62,771	62,771
	\$ 178,809	\$ 178,809
 Program Fees:		
Adoption	\$ 27,189	\$ 32,140
Counseling	63,654	152,358
Adult Advocacy Services - Private/Insurance Pay	96,852	158,580
Active Aging	50,050	47,081
Miscellaneous	3,351	3,312
	\$ 241,096	\$ 393,471