

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)



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## INDEPENDENT AUDITORS' REPORT

His Eminence Wilton Cardinal Gregory  
Archbishop of Washington  
Central Pastoral Administration of the Archdiocese of Washington  
Hyattsville, Maryland

### **Report on the Audit of the Combined Financial Statements**

#### ***Opinion***

We have audited the accompanying combined financial statements of the Central Pastoral Administration of the Archdiocese of Washington, which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Central Pastoral Administration of the Archdiocese of Washington as of June 30, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Central Pastoral Administration of the Archdiocese of Washington 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 Combined Financial Statements***

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Central Pastoral Administration of the Archdiocese of Washington's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Combined Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

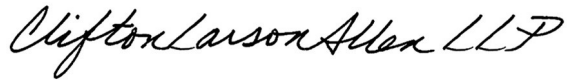
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined 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 Central Pastoral Administration of the Archdiocese of Washington'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Central Pastoral Administration of the Archdiocese of Washington'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.

His Eminence Wilton Cardinal Gregory  
Archbishop of Washington  
Central Pastoral Administration of the Archdiocese of Washington

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of financial position, activities, and functional expenses are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Arlington, Virginia  
December 15, 2022

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statements of Financial Position

June 30, 2022 and 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 8,852,065	14,520,865
Accounts receivable, net (note 4)	4,623,049	5,250,964
Contributions receivable, net (note 5)	1,898,738	1,286,692
Prepaid expenses and other assets	2,153,022	2,269,447
Notes receivable, net (note 6)	201,768	332,693
Investments (note 3)	100,048,430	111,860,727
Property and equipment, net (note 7)	49,260,017	43,876,867
Deferred rent receivable, net (note 8)	16,390,117	15,431,856
Total assets	\$ 183,427,206	194,830,111
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,542,339	2,054,015
Insurance claims and benefits payable (note 10)	12,494,205	12,254,004
Contributions payable (note 9)	1,051,100	1,466,452
Payable due to affiliates	396,098	408,483
Funds held on behalf of others	13,353,571	15,316,235
Collections held for disbursement	1,594,379	1,219,056
Deferred revenue	155,658	80,625
Annuities payable	1,147,892	1,204,977
Accrued liability for priests' retirement plan (note 10 (c))	10,245,640	20,996,828
Total liabilities	42,980,882	55,000,675
Net assets:		
Net assets without donor restrictions:		
Undesignated	22,426,196	26,389,650
Designated (note 1(m))	59,873,899	62,941,270
Invested in property and equipment (note 7)	49,260,017	43,876,867
Total net assets without donor restrictions	131,560,112	133,207,787
Net assets with donor restrictions (note 11)	8,886,212	6,621,649
Total net assets	140,446,324	139,829,436
Total liabilities and net assets	\$ 183,427,206	194,830,111

See accompanying notes to combined financial statements.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statements of Activities

Years ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Revenue, gains, and other support:						
Assessments:						
Parish	\$ 9,898,788	—	9,898,788	9,391,292	—	9,391,292
Education	3,851,420	—	3,851,420	3,583,798	—	3,583,798
Total assessments	13,750,208	—	13,750,208	12,975,090	—	12,975,090
Contributions, donations, gifts, and bequests:						
Annual Appeal	10,888,107	—	10,888,107	9,732,991	—	9,732,991
Gifts and bequests	2,977,041	4,367,120	7,344,161	4,077,116	1,836,065	5,913,181
Total contributions, donations, gifts, and bequests	13,865,148	4,367,120	18,232,268	13,810,107	1,836,065	15,646,172
Premiums and insurance billings	49,517,013	—	49,517,013	49,523,864	—	49,523,864
Spend rate income	820,600	—	820,600	664,700	—	664,700
Management fees and computer services	680,854	—	680,854	645,946	—	645,946
Special program income	574,931	—	574,931	504,700	—	504,700
Loan forgiveness	—	—	—	3,668,200	—	3,668,200
Advertising and other	200,148	—	200,148	609,616	—	609,616
Rental income	3,646,431	—	3,646,431	3,672,368	—	3,672,368
Net assets released from restrictions (note 1 (m))	1,745,629	(1,745,629)	—	1,535,942	(1,535,942)	—
Total revenue, gains, and other support	84,800,962	2,621,491	87,422,453	87,610,533	300,123	87,910,656

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statements of Activities  
Years ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses:						
Program services:						
Catholic education	7,205,638	—	7,205,638	5,910,248	—	5,910,248
Pastoral ministry and social concerns	6,782,104	—	6,782,104	7,277,119	—	7,277,119
Ministerial leadership	8,320,717	—	8,320,717	7,635,695	—	7,635,695
Communications	3,108,347	—	3,108,347	3,151,748	—	3,151,748
Parish services	904,148	—	904,148	839,504	—	839,504
Insurance and benefits	41,729,365	—	41,729,365	41,673,374	—	41,673,374
Priests' retirement benefits and medical care	3,904,046	—	3,904,046	3,762,889	—	3,762,889
Propagation of the faith	231,733	—	231,733	218,453	—	218,453
Archdiocesan administration	7,030,945	—	7,030,945	7,656,938	—	7,656,938
Total program services	79,217,043	—	79,217,043	78,125,968	—	78,125,968
Supporting services:						
General and administrative	4,895,933	—	4,895,933	4,847,527	—	4,847,527
Fund-raising	2,308,008	—	2,308,008	2,158,357	—	2,158,357
Total supporting services	7,203,941	—	7,203,941	7,005,884	—	7,005,884
Total expenses	86,420,984	—	86,420,984	85,131,852	—	85,131,852
Increase (decrease) in net assets from operating activities	(1,620,022)	2,621,491	1,001,469	2,478,681	300,123	2,778,804
NONOPERATING:						
Investment income (loss), net of spend rate income	(10,778,841)	(356,928)	(11,135,769)	18,097,492	584,215	18,681,707
Change in value of priests' retirement plan and post retirement medical and care fund (note 10(c))	10,751,188	—	10,751,188	16,631,416	—	16,631,416
Increase (decrease) in net assets from nonoperating activities	(27,653)	(356,928)	(384,581)	34,728,908	584,215	35,313,123
Increase (decrease) in net assets	(1,647,675)	2,264,563	616,888	37,207,589	884,338	38,091,927
Net assets at beginning of year	133,207,787	6,621,649	139,829,436	96,000,198	5,737,311	101,737,509
Net assets at end of year	\$ 131,560,112	8,886,212	140,446,324	133,207,787	6,621,649	139,829,436

See accompanying notes to combined financial statements.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
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Combined Statement of Functional Expenses

Years ended June 30, 2022 and 2021

	2022				2021			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries and benefits:								
Compensation of clergy and religious	\$ 2,086,826	15,462	—	2,102,288	2,237,951	15,029	—	2,252,980
Benefits – clergy	3,586,214	27,259	—	3,613,473	3,437,746	26,614	—	3,464,360
Salaries and wages – laypersons	9,160,282	2,798,610	838,812	12,797,704	8,627,248	3,028,532	802,386	12,458,166
Benefits – laypersons	2,159,232	653,403	195,900	3,008,535	2,060,604	685,949	191,094	2,937,647
Total salaries and benefits	16,992,554	3,494,734	1,034,712	21,522,000	16,363,549	3,756,124	993,480	21,113,153
Continuing education and retreats – clergy	2,067,360	250	—	2,067,610	1,926,015	250	—	1,926,265
Supplies	232,273	26,977	1,541	260,791	194,365	30,094	310	224,769
Telephone, postage, and printing	1,244,981	1,088,290	629,685	2,962,956	1,209,553	986,373	582,258	2,778,184
Conferences, meetings, and travel	697,432	44,800	10,745	752,977	451,786	63,639	6,426	521,851
Professional fees	4,787,322	545,724	318,708	5,651,754	5,170,894	193,270	297,305	5,661,469
Food and beverages	588,271	23,107	24,549	635,927	351,023	11,388	691	363,102
Contributions and grants in aid	4,357,722	2,519	—	4,360,241	3,715,243	3,401	—	3,718,644
Utilities and maintenance	1,243,759	1,449,343	—	2,693,102	1,016,792	1,538,588	—	2,555,380
Interest	41,348	—	—	41,348	40,108	—	—	40,108
Subsidies	1,695,590	—	—	1,695,590	2,621,125	—	—	2,621,125
Other	973,965	2,179,198	161,909	3,315,072	779,630	2,336,725	148,391	3,264,746
Insurance premiums	4,847,396	—	—	4,847,396	4,718,935	—	—	4,718,935
Claims and benefits	35,614,220	—	—	35,614,220	35,624,121	—	—	35,624,121
Total expenses before allocation	75,384,193	8,854,942	2,181,849	86,420,984	74,183,139	8,919,852	2,028,861	85,131,852
Allocation of property operations and financial, computer, and personnel	3,832,850	(3,959,009)	126,159	—	3,942,829	(4,072,325)	129,496	—
Total expenses after allocation	\$ 79,217,043	4,895,933	2,308,008	86,420,984	78,125,968	4,847,527	2,158,357	85,131,852

See accompanying independent auditors' report.



**THE CENTRAL PASTORAL ADMINISTRATION OF  
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Combined Statements of Cash Flows

Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 616,888	38,091,927
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,075,398	2,192,100
Net gain on sale of property	(168,897)	(283,795)
Bad debt expense	449,242	339,515
Receipt of contribution of stock	(398,517)	(277,869)
Net unrealized and realized investment (gains) losses	11,810,055	(19,346,973)
Loan forgiveness	—	(3,668,200)
Accrued liability for priests' retirement plan	(10,751,188)	(16,631,416)
Decrease (increase) in assets:		
Accounts receivable	200,064	1,020,986
Contributions receivable	(612,046)	1,000,160
Prepaid expenses and other assets	116,425	(247,534)
Deferred rent receivable	(958,261)	(975,513)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	488,324	(756,687)
Insurance claims payable	240,201	2,418,477
Contributions payable	(415,352)	80,819
Payable due to affiliate	(12,385)	(176,793)
Funds held on behalf of others	(1,962,664)	3,038,405
Collections held for disbursement	375,323	124,231
Deferred revenue	75,033	(97,067)
Annuities payable	(57,085)	(92,149)
Net cash provided by operating activities	<u>1,110,558</u>	<u>5,752,624</u>
Cash flows from investing activities:		
Proceeds from sale of investments	400,759	279,354
Proceeds from sale of property	231,114	348,560
Purchase of property and equipment	(7,520,765)	(1,201,322)
Principal payments received on notes receivable	125,084	142,441
Amounts disbursed for notes receivable	(15,550)	(70,000)
Net cash used in investing activities	<u>(6,779,358)</u>	<u>(500,967)</u>
Net increase (decrease) in cash and cash equivalents	(5,668,800)	5,251,657
Cash and cash equivalents at beginning of year	<u>14,520,865</u>	<u>9,269,208</u>
Cash and cash equivalents at end of year	<u>\$ 8,852,065</u>	<u>14,520,865</u>
Supplemental disclosures of non-cash transactions:		
Property and equipment purchases in accounts payable	315,678	96,323

See accompanying notes to combined financial statements.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Notes to Combined Financial Statements

June 30, 2022 and 2021

**(1) Summary of Significant Accounting Policies**

**(a) *Organization***

The accompanying combined financial statements include only the administrative offices of The Roman Catholic Archdiocese of Washington (the Archdiocese) and three centrally administered corporations: Propagation of the Faith, Carroll Media, and Redemptoris Mater Seminary. Collectively, these are referred to as the Central Pastoral Administration.

The geographic territory encompassed by the Archdiocese comprises the District of Columbia and the Maryland counties of Montgomery, Prince George's, Charles, Calvert, and St. Mary's.

The accounts of certain other organizations within the Archdiocese such as parishes, parish schools, corporations, and church-related institutions (such as institutions owned and operated by religious orders of men and women) are not included in the accompanying combined financial statements. Archdiocesan church buildings, rectories, and the like are purchased with the consent of, and are titled and deeded to the Archbishop; however, the separate operating entities have vested interests in these properties, and consequently, the costs of these properties are not included in the accompanying combined financial statements. However, land held for future parish sites and certain other property maintained by the Central Pastoral Administration are included in the accompanying combined statements of financial position.

**(b) *Basis of Presentation***

The accompanying combined financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) on the accrual basis of accounting.

**(c) *Estimates***

The preparation of combined financial statements in conformity with U.S. GAAP requires the Central Pastoral Administration to make certain estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(d) *Operating Activities***

Transactions that are part of the ongoing major or central activities of the combined entities are reported as operating in the accompanying combined statements of activities. All other transactions are reported as non-operating. Spend rate income included in operating revenue represents the amount of investment income approved by the Finance Council of the Central Pastoral Administration for use based on a spending rate formula. The variance between actual investment income (loss) and the amount recognized in operations is reported in non-operating income (loss) in the accompanying statements of activities.

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Notes to Combined Financial Statements

June 30, 2022 and 2021

**(e) *Cash and Cash Equivalents***

The Central Pastoral Administration maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Central Pastoral Administration has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

For financial statement purposes, the Central Pastoral Administration considers funds in money markets and overnight investments having an original maturity of three months or less to be cash equivalents, except for money market funds held by investment managers, which are classified as investments.

**(f) *Investments***

Investments are recorded at fair value, which is determined using quoted market prices or, with respect to investments without quoted market prices, at estimated fair values provided by external investment managers. Management reviews and evaluates the fair values provided by the external investment managers and believes that the valuation methods and assumptions used in determining their estimated fair values are reasonable. Investments received as donations are initially recorded at fair value at the date of donation.

The Central Pastoral Administration entered into a Trust Agreement with the Catholic Investment Trust of Washington (CITW) on March 29, 2012. Pursuant to this agreement, the Central Pastoral Administration transferred its long-term investments to CITW effective April 2, 2012.

Effective July 1, 2014, CITW entered into a limited partnership agreement with Cambridge Associates Resources, LLC, as General Partner, creating CITW Fund LP. CITW Fund LP invests in publicly traded stocks, exchange-traded funds, mutual funds, bonds, derivative contracts, unaffiliated limited partnerships, limited liability companies, private equity, and/or venture capital funds. The CITW Fund LP generally seeks to achieve long-term equity-like returns through broadly diversifying by asset class, investment manager, geography, economic sector, and security.

The investment in CITW and CITW's investment in CITW Fund LP are reported at estimated fair values utilizing net asset value (NAV). The Central Pastoral Administration reviews and evaluates the NAVs provided by the General Partner and fund managers and believes that the valuation methods and assumptions used in determining the NAVs are reasonable and investments are recorded at fair value, which is determined using quoted market prices or, with respect to investments without quoted market prices, at estimated fair values provided by external investment managers. Management reviews and evaluates the fair values provided by the external investments' managers and agrees with the valuation methods and assumptions used in determining their estimated fair value.

**(g) *Receivables and Allowances***

Accounts receivable represent amounts due mainly from related entities for assessments, premiums, newspaper subscriptions, and other.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
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Notes to Combined Financial Statements

June 30, 2022 and 2021

Contributions receivable represent unconditional promises to give and are expected to be received in less than one year.

Notes receivable mainly represent loans to parishes and related entities.

Receivables on the combined statements of financial position are stated at the amount management expects to collect. The Central Pastoral Administration follows a policy to calculate the probable uncollectible amount reserving anywhere from 5% to 100% based on the other parties' ability to pay. This allowance for uncollectible receivable is adjusted through a provision for bad debt expense.

**(h) *Property and Equipment***

Fixed assets are recorded at cost. Gifts of property and equipment are recorded at fair market value on the date contributed. Fixed asset purchases greater than \$5,000 are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are buildings, 40 years; leasehold improvements, 10 years; software, 10 years; furniture and equipment, 5-10 years; and automobiles, 5 years.

**(i) *Funds Held on Behalf of Others***

The Central Pastoral Administration records amounts due to other organizations as funds held on behalf of others when the monies are received. These amounts consist primarily of proceeds received by the Central Pastoral Administration from the sale of parish property and annuities administered by the Central Pastoral Administration for the benefit of other Archdiocesan entities.

**(j) *Contributed Services***

A substantial number of unpaid volunteers have made significant contributions of time to various programs. The value of this contributed time is not reflected in these statements because the services did not require specialized skills or create or enhance nonfinancial assets.

**(k) *Income Taxes***

The Archdiocese is exempt from federal income tax, except on unrelated activities, under the provisions of Section 501(c)(3) of the Internal Revenue Code. No provision has been made for income taxes during the years ended June 30, 2022 and 2021 since the Archdiocese had no significant unrelated business income.

Tax positions are recognized or derecognized based on a more-likely than-not threshold. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which change in judgment occurs. This applies to positions taken or expected to be taken in a tax return. The Central Pastoral Administration recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in accounts payable and accrued liabilities, if assessed. No interest expense or penalties have been recognized as of and for the years ended June 30, 2022 and 2021.

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Notes to Combined Financial Statements

June 30, 2022 and 2021

Management annually reviews its tax provision and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**(l) Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the combined statements of activities; accordingly, certain costs have been allocated among the programs and supporting services benefited based on the amount of space utilized by the staff of the programs and supporting services.

**(m) Net Assets**

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Central Pastoral Administration and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets without donor restrictions consists of all resources that have no donor-imposed restrictions. The Central Pastoral Administration has designated net assets without donor restrictions as of June 30, as follows:

	<u>2022</u>	<u>2021</u>
Future expenditures for:		
Board designated for capital purchases and maintenance	\$ 19,221,863	22,688,554
Archdiocese of Washington Catholic Schools	3,099,989	3,643,463
Formation of priests	-	40,481
Self insurance (employee benefits and insurance)	15,612,318	13,337,649
Reserve for future legal costs	1,623,198	2,531,807
Archdiocesan charitable giving	361,136	401,136
Continuing ministry activities for Archbishop Emeritus	278,343	1,859,505
Building operations and maintenance	571,813	995,100
Deferred rent receivable on 99-year leases, net	16,390,117	15,431,856
Campus ministry and hospital chaplaincies operations	2,431,327	1,727,924
Strategic planning	283,795	283,795
	<u>\$ 59,873,899</u>	<u>62,941,270</u>

*With donor restrictions* – Net assets subject to donor imposed restrictions stipulating how, when and/or if the net assets are available for expenditure. Some donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained into perpetuity. Others are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Net assets are released from restriction and reclassified to net assets without donor restriction when

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the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are released from restriction when the asset is placed in service. Net assets released from restriction for the years ended June 30, 2022 and 2021, respectively, were \$1,745,629 and \$1,535,942 and consisted of the following:

	<u>2022</u>	<u>2021</u>
Building maintenance for needy parishes and schools	\$ 24,480	254,335
Permanently restricted endowments for social concerns	—	184,864
Permanently restricted endowments for formation of priests	—	77,876
Propagation of the Faith mission work	262,383	249,103
Formation of priests	240,685	39,252
Religious education and catholic schools office	119,117	89,163
Pastoral ministry and social concerns	379,982	583,849
Campus ministry building or rental expense	718,982	57,500
	<u>\$ 1,745,629</u>	<u>1,535,942</u>

The composition of net assets with donor restrictions as of June 30, 2022 and 2021 is presented in Note 11.

**(n) Revenue Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Contributions, which include unconditional promises to give, are recognized as revenue in the period the promise is made by the donor. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

Premiums and insurance billings are recognized as revenue during the period in which coverage is provided. Assessments are recognized as revenue in the period the assessment is made. Fees are recognized as revenue in the period the service is provided.

Rental revenue under tenant leases is recognized on a straight-line basis over the terms of the related leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 840, *Leases*. Revenues for recoveries from tenants for other costs are recognized in the period in which the related expenses are incurred.

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**(o) Insurance Claims and Benefits Payable**

The Central Pastoral Administration sponsors property and casualty insurance, workers' compensation insurance, health and medical insurance, and pension benefit programs for organizations within the Archdiocese. Property and casualty, workers' compensation, and health and medical claims are accrued when reported. In addition, an estimate for medical claims incurred but not reported is accrued. Pension benefits payable consist of the unpaid required contributions to the multiemployer plan for laypersons.

**(p) Annuities Payable**

The Central Pastoral Administration has various charitable gift annuity agreements under which it receives contributed assets in exchange for a promise to pay the donor a fixed amount over a specified period of time, typically until the donor's death. An estimate of the related liability has been recorded based on the present value of future payments using approximate discount rates of 1.2% to 9.4% and the actuarial determined life expectancy of the donor. Liabilities under charitable gift annuities are recorded in annuities payable.

**(q) Concentration of Credit Risk**

The Central Pastoral Administration invests in various investment securities. Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the combined statements of financial position.

**(2) Liquidity and Availability**

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

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	<u>2022</u>	<u>2021</u>
Cash and cash equivalents, net of collections held for disbursements	\$ 7,257,686	13,301,809
Investments, net of funds held on behalf of others	86,694,859	96,544,492
Accounts receivable, due within one year	4,623,049	5,250,964
Contributions receivable, due within one year	1,898,738	1,286,692
Notes receivable, due within one year	186,721	230,200
Deferred rent receivable, net, due within one year	1,080,000	1,062,500
	<u>101,741,053</u>	<u>117,676,657</u>
Less amounts unavailable for general expenditures:		
Required to satisfy donor restrictions	(8,886,212)	(6,621,649)
Required to satisfy board designations, other than deferred rent receivable	(43,483,782)	(47,509,414)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 49,371,059</u>	<u>63,545,594</u>

The Central Pastoral Administration manages its liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Operating and capital budgets that provide sufficient funds for general expenditures is created and approved annually by the Finance Council of the Central Pastoral Administration. Actual performance is reported and monitored monthly in comparison to the budgets. Board designated net assets may be un-designated at any time by action of the governing board to ensure adequate liquidity.

**(3) Investments and Fair Value Measurements**

Fair value refers to the price that would be received upon selling an asset or the price paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants at the reporting date.

In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, as a practical expedient, an entity holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily determinable, is permitted to measure the fair value of such investments on the basis of that NAV or its equivalent without adjustment.

Management uses its best judgment in estimating the fair value of the Central Pastoral Administration's investments including its consideration on the use of NAV as a practical expedient. There are inherent limitations in any estimation technique. Because of the inherent uncertainty of valuation, this estimated fair value may differ significantly from the value that would have been used had a ready market for the investments existed, and the difference could be significant.

*Fair Value Measurements*, under FASB ASC Topic 820 (ASC 820), prioritizes within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or



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liability as of the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The Central Pastoral Administration's investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy and its applicability to the portfolio investments are described below:

- Level 1      Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Central Pastoral Administration has the ability to access at the measurement date.
- Level 2      Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3      Inputs that are unobservable.

An individual investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by management.

Observable data is that market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the perceived risk of that investment.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Assumptions used due to lack of observable inputs may significantly impact the resulting fair value and, therefore, the results of operations.

The Central Pastoral Administration used the NAV or its equivalent as a practical expedient to determine the fair value of its underlying investments, which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The fair value of the investment in CITW of \$79,348,034 and \$88,141,332 at June 30, 2022 and 2021, respectively, is estimated using the NAV as a practical expedient. There are no unfunded commitments for this investment.

The Central Pastoral Administration invests in CITW. CITW invests in CITW Fund LP, which maintains two portfolios, Liquid and Illiquid. The investment objective of each portfolio, consistent with the Investment Policy Statement approved by CITW's board of trustees, is long-term total return that net of fees exceeds the aggregate Portfolio benchmark's total return with less risk.

Redemptions from CITW Fund LP are permitted upon written notice received by the General Partner. Withdrawals from the funds can be made with notice, and such withdrawals to occur on the first day of the

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following month. The General Partner has discretion to suspend withdrawals if considered necessary to prevent an adverse impact on CITW Fund LP.

The Central Pastoral Administration also held investments outside of CITW as of June 30, 2022 and 2021 which are measured at fair value based on the three levels of inputs within the fair value hierarchy. Mutual funds that own corporate bonds, domestic money market funds, and oil rights are classified as Level 2 as the fair values are based on observable market information. Private debt is classified as Level 3 as the fair values are measured on a quarterly basis and the portfolio is illiquid.

The following is a summary of the fair value measurements of the Central Pastoral Administration's investments within the fair value hierarchy with a disclosure of the investments measured at NAV to allow reconciliation to the combined statement of financial position as of June 30:

	<b>Total 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>
Assets:					
Investment in CITW	\$ 79,348,034	—	—	—	79,348,034
Cash	447,550	—	—	—	—
Equity securities - domestic	6,615,046	6,615,046	—	—	—
Equity securities - international	3,843,592	3,843,592	—	—	—
Corporate bonds	2,754,530	2,754,530	—	—	—
US Treasuries	3,332,797	3,332,797	—	—	—
Money Market Funds - domestic	1,211,447	—	1,211,447	—	—
Municipal obligations	763,783	763,783	—	—	—
Private debt	1,702,791	—	—	1,702,791	—
Other investment - domestic	28,860	—	28,860	—	—
	<u>\$ 100,048,430</u>	<u>17,309,748</u>	<u>1,240,307</u>	<u>1,702,791</u>	<u>79,348,034</u>

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	<b>Total 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>NAV</b>
Assets:					
Investment in CITW	\$ 88,141,332	—	—	—	88,141,332
Cash	440,727	—	—	—	—
Equity securities - domestic	11,544,250	11,544,250	—	—	—
Equity securities - international	1,580,048	1,580,048	—	—	—
Corporate bonds	3,046,189	3,046,189	—	—	—
US Treasuries	3,159,228	3,159,228	—	—	—
Money Market Funds - domestic	1,570,830	—	1,570,830	—	—
Municipal obligations	709,872	709,872	—	—	—
Private debt	1,655,601	—	—	1,655,601	—
Other investment - domestic	12,650	—	12,650	—	—
	<u>\$ 111,860,727</u>	<u>20,039,587</u>	<u>1,583,480</u>	<u>1,655,601</u>	<u>88,141,332</u>

	<b>Fair Value</b>		<b>Principal Valuation Technique</b>	<b>Unobservable Inputs</b>
	<b>2022</b>	<b>2021</b>		
Instrument:				
Private debt	\$ 1,702,791	\$ 1,655,601	Net Asset Value	Value of Underlying Assets

For the years ended June 30, 2022 and 2021, there were only distributions (sales) out of the private debt fund of \$0 AND \$500,000, respectively.

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**(4) Accounts Receivable**

Accounts receivable are summarized as follows at June 30:

<b>2022</b>			
	<b>Gross</b>	<b>Allowance for uncollectible accounts</b>	<b>Totals</b>
Accounts receivable:			
Assessments	\$ 815,152	-	815,152
Insurance	4,385,418	(1,344,383)	3,041,035
Trade	508,815	-	508,815
Other	992,993	(734,946)	258,047
	<u>\$ 6,702,378</u>	<u>(2,079,329)</u>	<u>4,623,049</u>

<b>2021</b>			
	<b>Gross</b>	<b>Allowance for uncollectible accounts</b>	<b>Totals</b>
Accounts receivable:			
Assessments	\$ 933,518	-	933,518
Insurance	4,977,510	(1,213,806)	3,763,704
Trade	211,648	-	211,648
Other	842,971	(500,877)	342,094
	<u>\$ 6,965,647</u>	<u>(1,714,683)</u>	<u>5,250,964</u>

Of the gross accounts receivable, \$5,502,225 and \$6,100,165 as of June 30, 2022 and 2021, respectively, is due from related parties including parishes and Archdiocesan-related corporations and institutions (note 13).

**(5) Contributions Receivable**

Contributions receivable are expected to be received at June 30 as follows:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 2,548,913	1,902,617
Less allowance for uncollectible contributions receivable	(650,175)	(615,925)
	<u>\$ 1,898,738</u>	<u>1,286,692</u>

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**(6) Notes Receivable**

Notes receivable are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Parishes and schools	\$ 500,166	745,132
Related corporations	-	34,252
Other	9,685	-
	<u>509,851</u>	<u>779,384</u>
Less allowance for uncollectible notes receivable	<u>(308,083)</u>	<u>(446,691)</u>
	<u>\$ 201,768</u>	<u>332,693</u>

**(7) Property and Equipment**

Property and equipment are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 9,005,746	8,284,273
Future parish sites	718,416	780,634
Buildings	54,810,907	52,884,844
Leasehold improvements	985,713	985,713
Furniture and equipment	6,414,598	6,236,631
Automobiles	878,310	1,018,020
Software	1,713,216	1,706,365
Construction in progress	5,199,674	525,357
Property and equipment, gross	<u>79,726,580</u>	<u>72,421,837</u>
Less accumulated depreciation	<u>(30,466,563)</u>	<u>(28,544,970)</u>
Property and equipment, net	<u>\$ 49,260,017</u>	<u>43,876,867</u>

Depreciation and amortization expense was \$2,075,398 and \$2,192,100 for the years ended June 30, 2022 and 2021, respectively.

**(8) Deferred Rent Receivable**

The Archdiocese entered into a ground lease arrangement through 2099 using land adjacent to St. Matthew's Cathedral. The Archdiocese receives \$1 million per year through 2099 (subject to consumer price index fluctuations with a floor increase of 1.5% and other factors), 50% of which will be shared with St. Matthew's Cathedral.

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The Archdiocese also entered into a ground lease arrangement through 2102 using land owned by St. Patrick's parish. Fifty percent of the annual lease income will be received by the Archdiocese and 50% of the annual lease income will be paid directly to St. Patrick's parish.

U.S. GAAP requires rental income, including all future contractually stipulated increases, to be recognized on a straight-line basis over the term of a lease. Therefore, the minimum 1.5% CPI increase has been projected from inception through the 99-year lease terms to determine the annual straight-line rental income amount. The differential between the straight-line amount and the actual amount received is recorded as a deferred rent receivable, and U.S. GAAP relating to lease accounting do not permit discounting of deferred rent receivables. The Central Pastoral Administration has also recorded a liability representing the 50% share of the receivable for St. Matthew's Cathedral, which is netted against the gross deferred rent receivable. The net deferred rent receivable balance was \$16,390,117 and \$15,431,856 at June 30, 2022 and 2021, respectively. This amount will continue to increase through 2057 and begin reversing in 2058 until the deferred rent receivable is reduced to zero at the end of the 99-year lease terms.

Approximate future minimum rental payments to be received, net of amounts to be paid to St. Matthew's for years ending June 30 are as follows:

	<b>Future minimum rental to be received</b>	<b>Amounts to be paid to St. Matthew's</b>	<b>Net rental</b>
2023	1,729,000	(649,000)	1,080,000
2024	1,756,000	(658,500)	1,097,500
2025	1,784,000	(668,500)	1,115,500
2026	1,812,000	(678,500)	1,133,500
2027	1,841,000	(688,500)	1,152,500
Thereafter	258,461,000	(89,524,000)	168,937,000
	<u>\$ 267,383,000</u>	<u>(92,867,000)</u>	<u>174,516,000</u>

**(9) Contributions Payable**

Contributions payable represent subsidies to be given to certain organizations located within the Archdiocese and are expected to be disbursed as follows at June 30:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 1,001,100	1,366,452
One year to five years	50,000	100,000
	<u>\$ 1,051,100</u>	<u>1,466,452</u>

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**(10) Benefit Plans**

**(a) *Multiemployer Plan for Lay Persons***

The Central Pastoral Administration participates in the Retirement Plan (the Retirement Plan) of The Roman Catholic Archdiocese of Washington, a multiemployer defined-benefit pension plan, which was frozen effective December 31, 2012. No further benefits will be accrued. The Plan covers substantially all full-time lay employees of the Archdiocese and other affiliated organizations, prior to its being frozen. Information as to vested and nonvested benefits, as well as plan assets and unfunded liabilities, related solely to the Central Pastoral Administration is not readily determinable. In accordance with ASC Paragraph 715-30-55-63, the Central Pastoral Administration accounts for its participation in the Retirement Plan as a multiemployer plan.

**(b) *Defined-Contribution Plan***

Effective January 1, 2013, the Central Pastoral Administration also participates in a 403(b) plan, The Roman Catholic Archdiocese of Washington Retirement Savings Plan (the Plan). The Plan is a defined-contribution plan covering all employees immediately upon date of hire who regularly work 20 hours or more per week. Participants are eligible to make contributions as salary deductions from 1% to 100% of pay up to a maximum of \$20,500 per year for employees less than 50 years of age and up to \$27,000 for those 50 and older. For the first 4% of salary an employee contributes to the Plan, the Central Pastoral Administration provides a 50% match. The Central Pastoral Administration also provides an annual contribution between 1% and 4% based on years of service, regardless of employee participation in the Plan. Employer contributions vest at a rate of 20% per year for five years.

The Central Pastoral Administration administers the Retirement Plan and the Plan (the Combined Plans) and records as services revenue an amount equal to the retirement cost for laypersons in the parishes, schools, offices, and other affiliated organizations. The total expense for the Combined Plans for the years ended June 30, 2022 and 2021 was \$13,327,501 and \$12,717,814, respectively, of which approximately \$998,049 and \$976,006, respectively, relates to laypersons working at the Central Pastoral Administration. The total expense is included in insurance and benefits expense in the combined statements of activities. At June 30, 2022 and 2021, the Central Pastoral Administration had unpaid contributions to the Combined Plans of \$5,901,387 and \$6,062,760, respectively, which is included in insurance claims and benefits payable in the accompanying combined statements of financial position.

**(c) *Priests' Retirement Plan***

The Priests' Retirement Plan (Priest Retirement Plan) provides for monthly retirement benefits and postretirement medical, dental, and vision coverage to all Archdiocesan retired priests. There are no participant contributions.

The actuarial present value of accumulated plan benefits is determined by the Priest Retirement Plan's actuary using actuarial assumptions to reflect the time value of money, probability of payment, and cost-of-living adjustments. The assets are held in a separate Priests' Retirement Benefit Trust and are

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invested in CITW. The accrued benefit cost is recorded by the Central Pastoral Administration and is included in the combined statements of financial position as accrued liability for priests' retirement plan.

<b>Year ended June 30, 2022</b>			
	<b>Retirement benefit</b>	<b>Postretirement medical</b>	<b>Total</b>
Change in benefit obligation:			
Benefit obligation, beginning of year	\$ 46,036,447	34,922,987	80,959,434
Service cost	1,453,522	1,263,904	2,717,426
Interest cost	1,218,983	958,927	2,177,910
Actuarial gain	(9,678,316)	(8,940,391)	(18,618,707)
Benefits paid	(1,351,654)	(1,048,444)	(2,400,098)
Benefit obligation, end of year	37,678,982	27,156,983	64,835,965
Change in plan assets:			
Fair value of plan assets, beginning of year	59,962,606	-	59,962,606
Actual return on plan assets	(7,087,890)	-	(7,087,890)
Employer contributions	3,067,263	1,048,444	4,115,707
Benefits paid	(1,351,654)	(1,048,444)	(2,400,098)
Fair value of plan assets, end of year	54,590,325	-	54,590,325
Accrued liability (asset)	\$ (16,911,343)	27,156,983	10,245,640

<b>Year ended June 30, 2021</b>			
	<b>Retirement benefit</b>	<b>Postretirement medical</b>	<b>Total</b>
Change in benefit obligation:			
Benefit obligation, beginning of year	\$ 48,124,867	36,127,625	84,252,492
Service cost	1,556,184	1,364,876	2,921,060
Interest cost	1,204,032	946,581	2,150,613
Actuarial gain	(3,396,174)	(2,499,550)	(5,895,724)
Benefits paid	(1,452,462)	(1,016,545)	(2,469,007)
Benefit obligation, end of year	46,036,447	34,922,987	80,959,434
Change in plan assets:			
Fair value of plan assets, beginning of year	46,624,248	-	46,624,248
Actual return on plan assets	11,377,568	-	11,377,568
Employer contributions	3,413,252	1,016,545	4,429,797
Benefits paid	(1,452,462)	(1,016,545)	(2,469,007)
Fair value of plan assets, end of year	59,962,606	-	59,962,606
Accrued liability	\$ (13,926,159)	34,922,987	20,996,828



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The Plan's investment in CITW at net asset value is \$54,590,325 and \$59,962,606, at June 30, 2022 and 2021, respectively.

The following tables set forth the amounts recognized in the combined financial statements as of and for the years ended June 30, 2022 and 2021:

	<b>Year ended June 30, 2022</b>		
	<b>Retirement benefit</b>	<b>Postretirement medical</b>	<b>Total</b>
Charges other than net periodic benefit cost:			
Net (gain) loss for period	\$ 7,087,890	(8,940,391)	(1,852,501)
Amortization of net loss	(166,490)	(327,601)	(494,091)
Amortization of prior service cost	(83,973)	(388,655)	(472,628)
	<u>\$ 6,837,427</u>	<u>(9,656,647)</u>	<u>(2,819,220)</u>
Items not yet recognized as a component of net periodic pension/benefit cost:			
Net (gain) loss	\$ 9,910,644	(498,042)	9,412,602
Prior service cost	-	5,161,333	5,161,333
	<u>\$ 9,910,644</u>	<u>4,663,291</u>	<u>14,573,935</u>
Actuarial assumptions used:			
End of year benefit obligation discount rate	4.40%	4.44%	
Net periodic benefit cost discount rate	2.70%	2.79%	
Weighted average expected long-term rate of return	6.50%		

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	<b>Year ended June 30, 2021</b>		
	<b>Retirement benefit</b>	<b>Postretirement medical</b>	<b>Total</b>
Charges other than net periodic benefit cost:			
Net (gain) loss for period	\$ (11,743,166)	(2,499,550)	(14,242,716)
Amortization of net loss	(975,197)	(493,029)	(1,468,226)
Amortization of prior service cost	(119,972)	(388,655)	(508,627)
	<u>\$ (12,838,335)</u>	<u>(3,381,234)</u>	<u>(16,219,569)</u>
Items not yet recognized as a component of net periodic pension/benefit cost:			
	8,769,991	8,769,950	17,539,941
Net loss	\$ 83,973	5,549,988	5,633,961
Prior service cost	<u>8,853,964</u>	<u>14,319,938</u>	<u>23,173,902</u>
	\$		
Actuarial assumptions used:			
End of year benefit obligation discount rate	2.70%	2.79%	
Net periodic benefit cost discount rate	2.55%	2.66%	
Weighted average expected long-term rate of return	6.50%		

The amount expected to be amortized into net periodic benefit cost over the next fiscal year relating to net loss of the retirement benefit plan is \$261,552 and the amount expected to be amortized of the net loss for the postretirement plan is \$24,579. Amounts to be amortized into net periodic benefit cost over the next fiscal year relating to prior service cost of the retirement plan total \$0 and for the postretirement plan is \$388,655.

For measurement purposes, a 6.25% annual rate of increase in per capita cost of covered healthcare benefits was assumed for 2022. The rate is assumed to decrease to 5% for 2026 and remain at that level thereafter. Long-term care costs averaged \$18,000 per covered participant for 2022.

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Estimated future benefit payments as of June 30, 2022 are as follows:

	<u>Retirement benefit</u>	<u>Postretirement medical</u>
Year(s) ending June 30:		
2023	1,967,000	1,223,145
2024	2,062,000	1,236,938
2025	2,093,000	1,226,385
2026	2,121,000	1,263,600
2027	2,135,000	1,294,215
2028–2032	10,913,000	9,186,486

**(11) Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of contributions received from donors whose use by the Central Pastoral Administration is limited by donor imposed stipulations. The restricted amounts as of June 30, with the corresponding purpose for which the income is expendable, are as follows:

	<u>2022</u>	<u>2021</u>
Building maintenance for needy parishes and schools	\$ 2,143,122	1,178,602
Permanently restricted endowments for social concerns	907,850	907,850
Permanently restricted endowments for formation of priests	661,829	661,829
Propagation of the Faith mission work	1,086,485	1,285,272
Formation of priests	2,343,284	435,945
Religious education and catholic schools office	393,599	512,716
Pastoral ministry and social concerns	1,350,043	1,411,435
Campus ministry building or rental expense	—	228,000
	<u>\$ 8,886,212</u>	<u>6,621,649</u>

**(12) Endowment Net Assets**

Effective January 23, 2008, the District of Columbia enacted the Uniform Prudent Management of Institutional Funds Act (the Act), the provisions of which apply to funds existing on or established after that date. The State of Maryland enacted the Act effective April 14, 2009.

The Finance Council of the Central Pastoral Administration has interpreted the Act as allowing the Central Pastoral Administration to spend or accumulate the amount of an endowment fund that the Central Pastoral Administration determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. For accounting and reporting purposes, the Central Pastoral Administration classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the

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permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Gains (losses) on the investments of donor restricted endowment funds are recorded as additions to (reductions of) net assets with donor restrictions, until those amounts are appropriated for expenditure by the Central Pastoral Administration consistent with the donor's wishes, at which time they are reclassified to net assets without donor restrictions.

The Central Pastoral Administration has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Central Pastoral Administration must hold in perpetuity or for a donor-specified period(s) as well as board designated endowment funds. The Central Pastoral Administration relies on a total return strategy whose asset allocation is designed to give balance to the overall structure of the investment program over a long term period. The Central Pastoral Administration has adopted a spending policy that limits the distribution each year to 4% of the endowment funds' average fair value over a three-year period, determined annually.

Endowment net assets composition by type of fund at June 30 was as follows:

<b>2022</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor restricted endowment funds	\$ —	1,479,915	1,479,915
Board designated endowment funds	19,221,863	—	19,221,863
Total funds	<u>\$ 19,221,863</u>	<u>1,479,915</u>	<u>20,701,778</u>

<b>2021</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor restricted endowment funds	\$ —	1,735,305	1,735,305
Board designated endowment funds	22,688,554	—	22,688,554
Total funds	<u>\$ 22,688,554</u>	<u>1,735,305</u>	<u>24,423,859</u>

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Changes in endowment net assets for the fiscal years ended June 30 were as follows:

<b>2022</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 22,688,553	1,735,305	24,423,858
Total investment gains (losses)	(2,646,090)	(222,368)	(2,868,458)
Appropriation of endowment assets	(820,600)	(33,022)	(853,622)
Endowment net assets, end of year	<u>\$ 19,221,863</u>	<u>1,479,915</u>	<u>20,701,778</u>

<b>2021</b>			
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 18,208,384	1,594,315	19,802,699
Total investment gains (losses)	5,144,869	403,729	5,548,598
Appropriation of endowment assets	(664,700)	(262,739)	(927,439)
Endowment net assets, end of year	<u>\$ 22,688,553</u>	<u>1,735,305</u>	<u>24,423,858</u>

From time to time, the fair value of assets associated with endowment funds may fall below the level that the donor, the board, or the states' enacted legislation requires the Central Pastoral Administration to retain as a fund for perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in net assets with donor restrictions were \$141,642 and \$0 at June 30, 2022 and 2021, respectively.

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**(13) Related-Party Transactions**

The Central Pastoral Administration has significant transactions with parishes and related corporations of The Roman Catholic Archdiocese of Washington. Below is a summary of the impact of the transactions with these related parties on the combined statements of financial position and combined statements of activities:

	<b>2022</b>	<b>2021</b>
Accounts receivable, gross	\$ 5,502,225	6,100,165
Investment in CITW	79,348,034	88,141,332
Notes receivable, gross	500,166	779,384
Receivable due from affiliate, gross	249,398	117,116
Accounts payable and accrued expenses	61,628	51,557
Insurance claims and benefits payable	8,558,831	8,327,962
Contributions payable	797,100	1,162,452
Funds held on behalf of others	12,539,348	14,493,253
Payable due to affiliate, gross	645,496	525,599
	<b>2022</b>	<b>2021</b>
Revenues:		
Parish assessments	\$ 9,898,788	9,391,292
Special school assessments	3,270,970	2,996,173
Other assessments	580,450	587,625
Special program income	48,928	49,928
Premiums and insurance billings	49,517,013	49,523,864
Gifts and bequests	2,819,674	2,057,901
Rental income	1,067,889	1,095,836
Interest income – notes receivable	5,844	3,328
Management fees and computer services	691,204	653,640
Expenses:		
Catholic education	\$ 2,316,643	2,100,638
Other program service subsidies	1,547,500	2,453,035
Insurance and benefits	16,504,028	15,742,891

**(14) Commitments and Contingencies**

**(a) Insurance Coverage**

The Roman Catholic Archdiocese of Washington, and thus, the Central Pastoral Administration, participates in an insurance plan (the Plan) whereby certain risks and liabilities are assumed by participating entities. Each entity participating in the Plan is charged its share of the estimated losses, administrative costs, and insurance policy premium.

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The Plan covers property, liability and automobile insurance on a self-insured basis. Claims are paid by the contracted insurance providers as they are incurred by the insured participants. Under the Plan, the first \$75,000 of each property, liability and auto loss is self-insured by the Archdiocese, up to an annual aggregate of total annual losses of \$1,250,000. Losses in excess of \$75,000 per occurrence are covered by an excess coverage insurance policy. When the total amount of losses paid by the Archdiocese reaches \$1,250,000 per year, the excess insurance pays 100% of the claims.

The Plan also covers workers' compensation insurance, which was a self-insured plan for all claims incurred through June 30, 2018 and became a fully insured plan effective July 1, 2018.

The Central Pastoral Administration records a reserve for the Plan's open claims, as well as incurred but not reported claims. As of June 30, 2022 and 2021, the loss reserve was \$124,553 and \$203,040, respectively.

The Roman Catholic Archdiocese of Washington, and thus, the Central Pastoral Administration, is a member of the Catholic Umbrella Pool (CUP), which is an excess liability program administered by the Catholic Mutual Group. Excess liability coverage is provided by the CUP. The Central Pastoral Administration's equity investment in the CUP of \$1,023,456 and \$1,373,564 is recorded in other assets in the combined statement of financial position at June 30, 2022 and 2021.

**(b) Legal Contingencies**

The Central Pastoral Administration and Archdiocesan organizations have been named in various lawsuits relating to possible liability incidents. Certain lawsuits are covered, in full or in part, by the CUP or external insurance coverage. Insurance claims payable have been established and accrued in the accompanying combined statements of financial position for those cases where the potential liability is reasonably estimable and probable.

The amount of loss from the remaining lawsuits and others cannot be estimated as of June 30, 2022 and 2021. The ultimate resolution of these matters and others could result in losses in excess of the insurance coverage and accrued insurance claims payable in the near term.

**(c) Revolving Credit Facility**

The Roman Catholic Archbishop of Washington, a corporation sole, maintains two revolving credit facilities with one bank to provide financing for parishes and related entities limited to \$20 million in the aggregate. Lines of credit, letters of credit, and term loans are permitted.

The first facility provides up to \$10 million for working capital and standby letters of credit and expires on February 28, 2023. The second facility provides up to \$10 million for term loans and expires on February 28, 2023. In addition, a \$2.5 million letter of credit is maintained at Capital One Bank. At June 30, 2022 and 2021, the Roman Catholic Archbishop of Washington, a corporation sole, is contingently liable for loans outstanding totaling \$3,356,800 and \$5,542,286.

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Subsequent to year end, the Central Pastoral Administration borrowed \$3 million from the United Bank credit facility in November 2022 for temporary operating cash.

**(d) Corporation Guarantees**

The Central Pastoral Administration has also given assurance that it will provide financial support, if necessary, to keep certain Archdiocesan-related corporations in operation through December 31, 2022.

**(e) Funding Commitment**

Victory Youth Center, Inc. (VYC) requested the Central Pastoral Administration to fund its roof replacement project of \$200,423. The roofing contractor will be Virginia Roofing Company, and the expected completion date of the project will be during the second quarter of the fiscal year ended June 30, 2023.

**(15) Subsequent Events**

In preparing these combined financial statements, the Central Pastoral Administration has evaluated events and transactions for potential recognitions or disclosure through December 15, 2022, the date that the combined financial statements were available to be issued. There were no events or transactions that were discovered during the evaluation that required accrual or further disclosure except the following:

On December 7, 2022, Cardinal Gregory sent a letter to the Consortium of Catholic Academies, Inc. (CCA) which provided assurances to CCA that the Central Pastoral Administration would assume the costs related to the capital projects to replace the HVAC systems at each of the four CCA schools, including design and project management; underwrite major repairs to the existing HVAC systems until the replacement project is complete; and reach an agreement in terms on a new long-term lease by January 2023

**(16) Paycheck Protection Program**

On April 9, 2020 and April 11, 2020, the Central Pastoral Administration and Carroll Media, respectively, received a loan from United Bank totaling \$3,446,500 and \$221,700 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender of, if the Central Pastoral Administration or Carroll Media fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA.



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The Central Pastoral Administration and Carroll Media followed ASC 470, Debt, to account for the initial receipts related to the PPP Loan. During the year ended June 30, 2021, the SBA processed the PPP Loan forgiveness application and notified United Bank the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA at that time. Therefore, the Central Pastoral Administration and Carroll Media were legally released from the debt and the loan forgiveness has been recorded as a gain on extinguishment of debt, which is included in revenue during the year ended June 30, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Central Pastoral Administration's financial position.

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Combined Schedule of Financial Position

June 30, 2022

<b>Assets</b>	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined totals</b>
Cash and cash equivalents	\$ 8,791,265	45,800	15,000	—	—	—	8,852,065
Accounts receivable, net	1,471,957	3,028,503	—	28,858	—	93,731	4,623,049
Contributions receivable, net	1,898,738	—	—	—	—	—	1,898,738
Prepaid expenses and other assets	472,797	1,661,821	—	—	342	18,062	2,153,022
Notes receivable, net	201,768	—	—	—	—	—	201,768
Investments	99,036,274	—	—	—	1,012,156	—	100,048,430
Due from (to) others	(25,379,704)	20,712,955	(16,852)	2,645,586	371,288	1,666,727	—
Property and equipment, net	49,253,953	—	2,712	—	—	3,352	49,260,017
Deferred rent receivable, net	16,390,117	—	—	—	—	—	16,390,117
<b>Total assets</b>	<b>\$ 152,137,165</b>	<b>25,449,079</b>	<b>860</b>	<b>2,674,444</b>	<b>1,383,786</b>	<b>1,781,872</b>	<b>183,427,206</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ 2,457,689	—	—	17,000	5,731	61,919	2,542,339
Insurance claims and benefits payable	—	9,836,761	—	2,657,444	—	—	12,494,205
Contributions payable	1,051,100	—	—	—	—	—	1,051,100
Payable due to affiliates	396,098	—	—	—	—	—	396,098
Loans payable	—	—	—	—	—	—	—
Funds held on behalf of others	13,351,896	—	860	—	815	—	13,353,571
Collections held for disbursement	1,303,624	—	—	—	290,755	—	1,594,379
Deferred revenue	110,924	—	—	—	—	44,734	155,658
Annuities payable	1,147,892	—	—	—	—	—	1,147,892
Net accrued liability for priests' retirement plan	—	—	—	10,245,640	—	—	10,245,640
<b>Total liabilities</b>	<b>19,819,223</b>	<b>9,836,761</b>	<b>860</b>	<b>12,920,084</b>	<b>297,301</b>	<b>106,653</b>	<b>42,980,882</b>
<b>Net assets:</b>							
<b>Net assets without donor restrictions:</b>							
Undesignated	31,002,681	—	(2,712)	(10,245,640)	—	1,671,867	22,426,196
Designated	44,261,581	15,612,318	—	—	—	—	59,873,899
Invested in property and equipment	49,253,953	—	2,712	—	—	3,352	49,260,017
<b>Total net assets without donor restrictions</b>	<b>124,518,215</b>	<b>15,612,318</b>	<b>—</b>	<b>(10,245,640)</b>	<b>—</b>	<b>1,675,219</b>	<b>131,560,112</b>
<b>Net assets with donor restrictions</b>	<b>7,799,727</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,086,485</b>	<b>—</b>	<b>8,886,212</b>
<b>Total net assets</b>	<b>132,317,942</b>	<b>15,612,318</b>	<b>—</b>	<b>(10,245,640)</b>	<b>1,086,485</b>	<b>1,675,219</b>	<b>140,446,324</b>
<b>Total liabilities and net assets</b>	<b>\$ 152,137,165</b>	<b>25,449,079</b>	<b>860</b>	<b>2,674,444</b>	<b>1,383,786</b>	<b>1,781,872</b>	<b>183,427,206</b>

See accompanying independent auditors' report.

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Combined Schedule of Financial Position

June 30, 2021

<b>Assets</b>	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined totals</b>
Cash and cash equivalents	\$ 14,463,237	42,628	15,000	—	—	—	14,520,865
Accounts receivable, net	1,392,420	3,751,696	—	12,008	—	94,840	5,250,964
Contributions receivable, net	1,286,692	—	—	—	—	—	1,286,692
Prepaid expenses and other assets	525,453	1,712,729	—	—	342	30,923	2,269,447
Notes receivable, net	332,693	—	—	—	—	—	332,693
Investments	110,720,492	—	—	—	1,140,235	—	111,860,727
Due from (to) others	(21,896,290)	17,819,398	(19,068)	2,270,194	391,441	1,434,325	—
Property and equipment, net	43,860,148	—	4,068	—	—	12,651	43,876,867
Deferred rent receivable, net	15,431,856	—	—	—	—	—	15,431,856
<b>Total assets</b>	<b>\$ 166,116,701</b>	<b>23,326,451</b>	<b>—</b>	<b>2,282,202</b>	<b>1,532,018</b>	<b>1,572,739</b>	<b>194,830,111</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ 1,984,394	—	—	17,000	1,842	50,779	2,054,015
Insurance claims and benefits payable	—	9,988,802	—	2,265,202	—	—	12,254,004
Contributions payable	1,466,452	—	—	—	—	—	1,466,452
Payable due to affiliates	408,483	—	—	—	—	—	408,483
Loans payable	—	—	—	—	—	—	—
Funds held on behalf of others	15,315,420	—	—	—	815	—	15,316,235
Collections held for disbursement	974,968	—	—	—	244,088	—	1,219,056
Deferred revenue	31,558	—	—	—	—	49,067	80,625
Annuities payable	1,204,977	—	—	—	—	—	1,204,977
Net accrued liability for priests' retirement plan	—	—	—	20,996,828	—	—	20,996,828
<b>Total liabilities</b>	<b>21,386,252</b>	<b>9,988,802</b>	<b>—</b>	<b>23,279,030</b>	<b>246,745</b>	<b>99,846</b>	<b>55,000,675</b>
<b>Net assets:</b>							
<b>Net assets without donor restrictions:</b>							
Undesignated	45,930,304	—	(4,068)	(20,996,828)	—	1,460,242	26,389,650
Designated	49,603,621	13,337,649	—	—	—	—	62,941,270
Invested in property and equipment	43,860,148	—	4,068	—	—	12,651	43,876,867
<b>Total net assets without donor restrictions</b>	<b>139,394,073</b>	<b>13,337,649</b>	<b>—</b>	<b>(20,996,828)</b>	<b>—</b>	<b>1,472,893</b>	<b>133,207,787</b>
<b>Net assets with donor restrictions</b>	<b>5,336,376</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,285,273</b>	<b>—</b>	<b>6,621,649</b>
<b>Total net assets</b>	<b>144,730,449</b>	<b>13,337,649</b>	<b>—</b>	<b>(20,996,828)</b>	<b>1,285,273</b>	<b>1,472,893</b>	<b>139,829,436</b>
<b>Total liabilities and net assets</b>	<b>\$ 166,116,701</b>	<b>23,326,451</b>	<b>—</b>	<b>2,282,202</b>	<b>1,532,018</b>	<b>1,572,739</b>	<b>194,830,111</b>

See accompanying independent auditors' report.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
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Combined Schedule of Activities

Year ended June 30, 2022

	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined entries</b>	<b>Combined totals</b>
OPERATING:								
Changes in net assets without donor restriction:								
Revenue, gains, and other support:								
Assessments:								
Parish	\$ 8,729,959	—	—	—	—	1,168,829	—	9,898,788
Special school assessments and other	3,851,420	—	—	—	—	—	—	3,851,420
Total assessments	12,581,379	—	—	—	—	1,168,829	—	13,750,208
Contributions, donations, gifts, and bequests:								
Annual Appeal	10,888,107	—	—	—	—	—	—	10,888,107
Gifts and bequests	2,164,185	—	29,382	769,604	—	13,870	—	2,977,041
Total contributions, donations, gifts, and bequests	13,052,292	—	29,382	769,604	—	13,870	—	13,865,148
Premiums and insurance billings	—	50,466,249	—	4,507,058	—	—	(5,456,294)	49,517,013
Spend rate income	820,600	—	—	—	—	—	—	820,600
Management fees and computer services	4,141,479	—	—	—	—	—	(3,460,625)	680,854
Special program income	548,360	—	—	—	—	26,571	—	574,931
Advertising and other	280,839	(343,890)	—	128	—	263,071	—	200,148
Rental income	3,641,131	—	—	23,950	—	—	(18,650)	3,646,431
Net assets released from restrictions	1,483,246	—	—	—	262,383	—	—	1,745,629
Total unrestricted revenue, gain, and other support	36,549,326	50,122,359	29,382	5,300,740	262,383	1,472,341	(8,935,569)	84,800,962
Expenses:								
Program services:								
Catholic education:								
Tuition assistance and school subsidies	2,316,643	—	—	—	—	—	—	2,316,643
Other programs and administration	4,888,995	—	—	—	—	—	—	4,888,995
Total Catholic education	7,205,638	—	—	—	—	—	—	7,205,638
Pastoral ministry and social concerns	6,782,104						—	6,782,104
Ministerial leadership	6,584,485		1,736,232				—	8,320,717
Communications	1,863,332					1,270,015	(25,000)	3,108,347
Parish services	904,148						—	904,148
Insurance and benefits	1,158,035	47,847,690					(7,276,360)	41,729,365
Priests' retirement benefits and medical care	206,865			5,300,740			(1,603,559)	3,904,046
Propagation of the Faith					262,383		(30,650)	231,733
Archdiocesan administration	7,030,945	—	—	—	—	—	—	7,030,945
Total program services	31,735,552	47,847,690	1,736,232	5,300,740	262,383	1,270,015	(8,935,569)	79,217,043

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Combined Schedule of Activities

Year ended June 30, 2022

	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined entries</b>	<b>Combined totals</b>
Supporting expenses:								
General and administrative	4,895,933	—	—	—	—	—	—	4,895,933
Fund-raising	2,308,008	—	—	—	—	—	—	2,308,008
Total supporting services	7,203,941	—	—	—	—	—	—	7,203,941
Total expenses	38,939,493	47,847,690	1,736,232	5,300,740	262,383	1,270,015	(8,935,569)	86,420,984
Transfers:								
Subsidize Redemptoris Mater Seminary	(1,706,850)	—	1,706,850	—	—	—	—	—
Total transfers	(1,706,850)	—	1,706,850	—	—	—	—	—
Increase (decrease) in net assets without donor restrictions	(4,097,017)	2,274,669	—	—	—	202,326	—	(1,620,022)
Changes in net assets with donor restrictions:								
Gifts and bequests	4,187,281	—	—	—	179,839	—	—	4,367,120
Net assets released from restrictions	(1,483,246)	—	—	—	(262,383)	—	—	(1,745,629)
Increase (decrease) in net assets with donor restrictions	2,704,035	—	—	—	(82,544)	—	—	2,621,491
Increase (decrease) in net assets from operating activities	(1,392,982)	2,274,669	—	—	(82,544)	202,326	—	1,001,469
NONOPERATING:								
Investment income without donor restriction, net of spend rate income	(10,778,841)	—	—	—	—	—	—	(10,778,841)
Investment income with donor restriction	(240,684)	—	—	—	(116,244)	—	—	(356,928)
Change in value of priests' retirement plan and post retirement medical and care fund	—	—	—	10,751,188	—	—	—	10,751,188
Increase in net assets from nonoperating activities	(11,019,525)	—	—	10,751,188	(116,244)	—	—	(384,581)
Increase in net assets	(12,412,507)	2,274,669	—	10,751,188	(198,788)	202,326	—	616,888
Net assets at beginning of year	144,730,449	13,337,649	—	(20,996,828)	1,285,273	1,472,893	—	139,829,436
Net assets at end of year	\$ 132,317,942	15,612,318	—	(10,245,640)	1,086,485	1,675,219	—	140,446,324

See accompanying independent auditors' report.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Schedule of Activities

Year ended June 30, 2021

	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined entries</b>	<b>Combined totals</b>
OPERATING:								
Changes in unrestricted net assets:								
Revenue, gains, and other support:								
Assessments:								
Parish	\$ 8,244,043	—	—	—	—	1,147,249	—	9,391,292
Special school assessments and other	3,583,798	—	—	—	—	—	—	3,583,798
Total assessments	11,827,841	—	—	—	—	1,147,249	—	12,975,090
Contributions, donations, gifts, and bequests:								
Annual Appeal	9,732,991	—	—	—	—	—	—	9,732,991
Gifts and bequests	3,442,434	—	10,608	609,299	—	14,775	—	4,077,116
Total contributions, donations, gifts, and bequests	13,175,425	—	10,608	609,299	—	14,775	—	13,810,107
Premiums and insurance billings	—	50,407,355	—	4,521,656	—	—	(5,405,147)	49,523,864
Spend rate income	664,700	—	—	—	—	—	—	664,700
Management fees and computer services	4,096,623	—	—	—	—	—	(3,450,677)	645,946
Special program income	481,153	—	—	—	—	23,547	—	504,700
Loan forgiveness	3,446,500	—	—	—	—	221,700	—	3,668,200
Advertising and other	47,956	214,861	—	19	—	346,780	—	609,616
Rental income	3,659,268	—	—	31,750	—	—	(18,650)	3,672,368
Net assets released from restrictions	1,286,839	—	—	—	249,103	—	—	1,535,942
Total unrestricted revenue, gain, and other support	38,686,305	50,622,216	10,608	5,162,724	249,103	1,754,051	(8,874,474)	87,610,533
Expenses:								
Program services:								
Catholic education:								
Tuition assistance and school subsidies	2,100,638	—	—	—	—	—	—	2,100,638
Other programs and administration	3,809,610	—	—	—	—	—	—	3,809,610
Total Catholic education	5,910,248	—	—	—	—	—	—	5,910,248
Pastoral ministry and social concerns	7,277,119	—	—	—	—	—	—	7,277,119
Ministerial leadership	6,105,256	—	1,530,439	—	—	—	—	7,635,695
Communications	1,847,882	—	—	—	—	1,328,866	(25,000)	3,151,748
Parish services	839,504	—	—	—	—	—	—	839,504
Insurance and benefits	1,105,048	47,782,334	—	—	—	—	(7,214,008)	41,673,374
Priests' retirement benefits and medical care	204,981	—	—	5,162,724	—	—	(1,604,816)	3,762,889
Propagation of the Faith	—	—	—	—	249,103	—	(30,650)	218,453
Archdiocesan administration	7,656,938	—	—	—	—	—	—	7,656,938
Total program services	30,946,976	47,782,334	1,530,439	5,162,724	249,103	1,328,866	(8,874,474)	78,125,968

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Schedule of Activities

Year ended June 30, 2021

	<b>Operations</b>	<b>Insurance services</b>	<b>Redemptoris Mater Seminary</b>	<b>Priests' Pass Through &amp; Care Fund</b>	<b>Propagation of the Faith</b>	<b>Carroll Media</b>	<b>Combined entries</b>	<b>Combined totals</b>
Supporting expenses:								
General and administrative	4,847,527	—	—	—	—	—	—	4,847,527
Fund-raising	2,158,357	—	—	—	—	—	—	2,158,357
Total supporting services	7,005,884	—	—	—	—	—	—	7,005,884
Total expenses	37,952,860	47,782,334	1,530,439	5,162,724	249,103	1,328,866	(8,874,474)	85,131,852
Transfers:								
Subsidize Redemptoris Mater Seminary	(1,519,831)	—	1,519,831	—	—	—	—	—
Total transfers	(1,519,831)	—	1,519,831	—	—	—	—	—
Increase (decrease) in net assets without donor restrictions	(786,386)	2,839,882	—	—	—	425,185	—	2,478,681
Changes in net assets with donor restrictions:								
Gifts and bequests	1,712,694	—	—	—	123,371	—	—	1,836,065
Net assets released from restrictions	(1,286,839)	—	—	—	(249,103)	—	—	(1,535,942)
Increase (decrease) in net assets with donor restrictions	425,855	—	—	—	(125,732)	—	—	300,123
Increase (decrease) in net assets from operating activities	(360,531)	2,839,882	—	—	(125,732)	425,185	—	2,778,804
NONOPERATING:								
Investment income (loss) without donor restriction, net of spend rate income	18,097,492	—	—	—	—	—	—	18,097,492
Investment income (loss) with donor restriction	389,024	—	—	—	195,191	—	—	584,215
Change in value of priests' retirement plan and post retirement medical and care fund	—	—	—	16,631,416	—	—	—	16,631,416
Increase (decrease) in net assets from nonoperating activities	18,486,516	—	—	16,631,416	195,191	—	—	35,313,123
Increase (decrease) in net assets	18,125,985	2,839,882	—	16,631,416	69,459	425,185	—	38,091,927
Net assets at beginning of year	126,604,464	10,497,767	—	(37,628,244)	1,215,814	1,047,708	—	101,737,509
Net assets at end of year	\$ 144,730,449	13,337,649	—	(20,996,828)	1,285,273	1,472,893	—	139,829,436

See accompanying independent auditors' report.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statement of Functional Expenses

Year ended June 30, 2022

	<b>Program services</b>							
	<b>Catholic education</b>	<b>Pastoral ministry &amp; social concerns</b>	<b>Ministerial leadership</b>	<b>Redemptoris Mater Seminary</b>	<b>Communi- cations</b>	<b>Carroll Media</b>	<b>Parish services</b>	<b>Insurance and benefits</b>
Salaries and benefits:								
Compensation of clergy and religious	\$ —	726,144	570,833	99,859	—	—	—	—
Benefits – clergy	—	600,001	1,327,015	343,866	—	—	—	—
Salaries and wages – laypersons	1,781,194	1,724,972	690,283	80,943	842,226	758,261	457,428	594,666
Benefits – laypersons	398,193	430,455	161,336	12,914	174,913	198,621	101,337	144,756
Total salaries and benefits	2,179,387	3,481,572	2,749,467	537,582	1,017,139	956,882	558,765	739,422
Continuing education and retreats – clergy	—	8,981	1,477,140	527,271	—	—	—	—
Supplies	7,292	59,471	71,383	56,844	535	48	—	659
Telephone, postage, and printing	296,620	105,137	44,240	45,448	324,602	120,034	22,801	178,997
Conferences, meetings, and travel	30,799	215,385	163,017	144,921	6,328	4,751	2,134	11,537
Professional fees	428,347	233,558	129,489	728	78,760	29,892	81,000	2,116,077
Food and beverages	17,967	97,299	235,640	137,375	1,389	—	97	2,059
Contributions and grants in aid	3,424,394	325,468	285,978	13,965	—	—	—	—
Utilities and maintenance	—	84,227	602,775	211,477	109	—	—	—
Interest	—	—	—	—	—	—	—	—
Subsidies	50,000	1,616,500	—	—	—	—	—	—
Other	95,533	80,880	45,173	60,621	78,071	133,408	—	163,542
Insurance premiums	—	—	—	—	—	—	—	4,847,396
Claims and benefits	—	—	—	—	—	—	—	33,506,370
Total expenses before allocation	6,530,339	6,308,478	5,804,302	1,736,232	1,506,933	1,245,015	664,797	41,566,059
Allocation of property operations and financial, computer, and personnel	675,299	473,626	538,211	241,972	182,229	174,170	239,351	163,306
Total expenses after allocation	\$ 7,205,638	6,782,104	6,342,513	1,978,204	1,689,162	1,419,185	904,148	41,729,365



**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statement of Functional Expenses

Year ended June 30, 2022

	Program services				Supporting services				
	<u>Priests' retirement benefits &amp; medical care</u>	<u>Propagation of the Faith</u>	<u>Archdiocesan administration</u>	<u>Subtotal program services</u>	<u>General and administrative</u>	<u>Property operations</u>	<u>Fundraising</u>	<u>Subtotal supporting services</u>	<u>Total 2022</u>
Salaries and benefits:									
Compensation of clergy and religious	\$ 327,934	70,566	291,490	2,086,826	15,462	—	—	15,462	2,102,288
Benefits – clergy	782,282	81,500	451,550	3,586,214	27,259	—	—	27,259	3,613,473
Salaries and wages – laypersons	—	47,748	2,182,561	9,160,282	1,404,783	1,393,827	838,812	3,637,422	12,797,704
Benefits – laypersons	—	7,393	529,314	2,159,232	316,684	336,719	195,900	849,303	3,008,535
Total salaries and benefits	1,110,216	207,207	3,454,915	16,992,554	1,764,188	1,730,546	1,034,712	4,529,446	21,522,000
Continuing education and retreats – clergy	49,718	500	3,750	2,067,360	250	—	—	250	2,067,610
Supplies	4,750	68	31,223	232,273	3,089	23,888	1,541	28,518	260,791
Telephone, postage, and printing	6,089	6,754	94,259	1,244,981	303,947	784,343	629,685	1,717,975	2,962,956
Conferences, meetings, and travel	—	1,360	117,200	697,432	20,408	24,392	10,745	55,545	752,977
Professional fees	257,603	—	1,431,868	4,787,322	196,676	349,048	318,708	864,432	5,651,754
Food and beverages	—	—	96,445	588,271	16,301	6,806	24,549	47,656	635,927
Contributions and grants in aid	—	5,000	302,917	4,357,722	2,519	—	—	2,519	4,360,241
Utilities and maintenance	160,955	—	184,216	1,243,759	49,249	1,400,094	—	1,449,343	2,693,102
Interest	—	—	41,348	41,348	—	—	—	—	41,348
Subsidies	—	—	29,090	1,695,590	—	—	—	—	1,695,590
Other	—	10,844	305,893	973,965	45,550	2,133,648	161,909	2,341,107	3,315,072
Insurance premiums	—	—	—	4,847,396	—	—	—	—	4,847,396
Claims and benefits	2,107,850	—	—	35,614,220	—	—	—	—	35,614,220
Total expenses before allocation	3,697,181	231,733	6,093,124	75,384,193	2,402,177	6,452,765	2,181,849	11,036,791	86,420,984
Allocation of property operations and financial, computer, and personnel	206,865	—	937,821	3,832,850	2,493,756	(6,452,765)	126,159	(3,832,850)	—
Total expenses after allocation	\$ 3,904,046	231,733	7,030,945	79,217,043	4,895,933	—	2,308,008	7,203,941	86,420,984

See accompanying independent auditors' report.

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statement of Functional Expenses

Year ended June 30, 2021

	<b>Program services</b>							
	<b>Catholic education</b>	<b>Pastoral ministry &amp; social concerns</b>	<b>Ministerial leadership</b>	<b>Redemptoris Mater Seminary</b>	<b>Communi- cations</b>	<b>Carroll Media</b>	<b>Parish services</b>	<b>Insurance and benefits</b>
Salaries and benefits:								
Compensation of clergy and religious	\$ —	728,401	570,083	95,708	—	—	—	—
Benefits – clergy	—	545,791	1,360,543	284,878	—	—	—	—
Salaries and wages – laypersons	1,784,455	1,717,953	607,002	78,462	781,057	768,489	427,144	562,371
Benefits – laypersons	397,398	423,969	147,721	13,187	160,098	210,777	102,338	139,871
Total salaries and benefits	2,181,853	3,416,114	2,685,349	472,235	941,155	979,266	529,482	702,242
Continuing education and retreats – clergy	—	9,500	1,437,760	442,450	—	—	—	—
Supplies	7,364	19,393	49,630	47,024	126	176	—	488
Telephone, postage, and printing	290,104	62,191	45,282	40,549	333,477	140,966	3,541	177,345
Conferences, meetings, and travel	2,743	53,666	148,965	119,430	2,180	433	(4,488)	(332)
Professional fees	437,682	66,482	99,521	952	133,450	28,071	64,800	2,128,583
Food and beverages	1,603	14,441	181,280	107,886	—	—	200	774
Contributions and grants in aid	2,165,380	574,489	146,198	17,252	—	—	—	—
Utilities and maintenance	—	10,868	459,213	221,707	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Subsidies	50,000	2,542,035	—	—	—	—	—	—
Other	80,350	22,788	31,799	60,954	71,666	154,954	285	139,305
Insurance premiums	—	—	—	—	—	—	—	4,718,935
Claims and benefits	—	—	—	—	—	—	—	33,638,407
Total expenses before allocation	5,217,079	6,791,967	5,284,997	1,530,439	1,482,054	1,303,866	593,820	41,505,747
Allocation of property operations and financial, computer, and personnel	693,169	485,152	578,287	241,972	187,050	178,778	245,684	167,627
Total expenses after allocation	\$ 5,910,248	7,277,119	5,863,284	1,772,411	1,669,104	1,482,644	839,504	41,673,374

**THE CENTRAL PASTORAL ADMINISTRATION OF  
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

Combined Statement of Functional Expenses

Year ended June 30, 2021

	Program services				Supporting services				
	Priests' retirement benefits & medical care	Propagation of the Faith	Archdiocesan administration	Subtotal program services	General and administrative	Property operations	Fundraising	Subtotal supporting services	Total 2021
Salaries and benefits:									
Compensation of clergy and religious	\$ 421,399	105,657	316,703	2,237,951	15,029	—	—	15,029	2,252,980
Benefits – clergy	714,822	78,982	452,730	3,437,746	26,614	—	—	26,614	3,464,360
Salaries and wages – laypersons	—	3,906	1,896,409	8,627,248	1,483,072	1,545,460	802,386	3,830,918	12,458,166
Benefits – laypersons	—	273	464,972	2,060,604	321,199	364,750	191,094	877,043	2,937,647
Total salaries and benefits	1,136,221	188,818	3,130,814	16,363,549	1,845,914	1,910,210	993,480	4,749,604	21,113,153
Continuing education and retreats – clergy	30,930	500	4,875	1,926,015	250	—	—	250	1,926,265
Supplies	6,733	—	63,431	194,365	2,991	27,103	310	30,404	224,769
Telephone, postage, and printing	6,643	—	109,455	1,209,553	285,401	700,972	582,258	1,568,631	2,778,184
Conferences, meetings, and travel	—	6,355	122,834	451,786	5,478	58,161	6,426	70,065	521,851
Professional fees	256,575	—	1,954,778	5,170,894	113,820	79,450	297,305	490,575	5,661,469
Food and beverages	—	—	44,839	351,023	6,215	5,173	691	12,079	363,102
Contributions and grants in aid	—	2,785	809,139	3,715,243	3,401	—	—	3,401	3,718,644
Utilities and maintenance	111,892	—	213,112	1,016,792	104,180	1,434,408	—	1,538,588	2,555,380
Interest	—	—	40,108	40,108	—	—	—	—	40,108
Subsidies	—	—	29,090	2,621,125	—	—	—	—	2,621,125
Other	23,200	19,995	174,334	779,630	84,281	2,252,444	148,391	2,485,116	3,264,746
Insurance premiums	—	—	—	4,718,935	—	—	—	—	4,718,935
Claims and benefits	1,985,714	—	—	35,624,121	—	—	—	—	35,624,121
Total expenses before allocation	3,557,908	218,453	6,696,809	74,183,139	2,451,931	6,467,921	2,028,861	10,948,713	85,131,852
Allocation of property operations and financial, computer, and personnel	204,981	—	960,129	3,942,829	2,395,596	(6,467,921)	129,496	(3,942,829)	—
Total expenses after allocation	\$ 3,762,889	218,453	7,656,938	78,125,968	4,847,527	—	2,158,357	7,005,884	85,131,852

See accompanying independent auditors' report.