

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

Combined Financial Statements

June 30, 2024 and 2023

(With Independent Auditors' Report Thereon)



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INDEPENDENT AUDITORS' REPORT

His Eminence Wilton Cardinal Gregory
Archbishop of Washington
The Central Pastoral Administration of the Roman Catholic
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 Roman Catholic Archdiocese of Washington (Central Pastoral Administration), which comprise the combined statements of financial position as of June 30, 2024 and 2023, 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 as of June 30, 2024 and 2023, 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 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's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

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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'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'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.



CliftonLarsonAllen LLP

Arlington, Virginia
March 6, 2025

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

Combined Statements of Financial Position

June 30, 2024 and 2023

Assets	2024	2023
Cash and cash equivalents	\$ 5,665,010	9,699,202
Accounts receivable, net (note 4)	3,856,551	5,752,725
Contributions receivable, net (note 5)	1,746,354	1,806,093
Prepaid expenses and other assets	2,410,101	2,029,668
Notes receivable, net (note 6)	147,597	200,972
Investments (note 3)	81,184,988	110,025,460
Property and equipment, net (note 7)	49,281,263	49,333,540
Deferred rent receivable, net (note 8)	18,253,844	17,330,867
Total assets	\$ 162,545,708	196,178,527
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 3,859,525	4,586,891
Insurance claims and benefits payable (note 10)	12,134,722	19,236,950
Contributions payable (note 9)	6,741,411	10,765,547
Payable due to affiliates	4,133,390	158,159
Funds held on behalf of others	2,961,030	13,458,290
Collections held for disbursement	1,364,162	1,802,690
Deferred revenue	265,143	84,866
Annuities payable	1,020,542	1,074,128
Accrued liability for priests' retirement plan (note 10 (c))	-	3,877,900
Total liabilities	32,479,925	55,045,421
Net assets:		
Net assets without donor restrictions:		
Undesignated	19,982,328	20,916,574
Designated (note 1(m))	51,955,385	60,747,008
Invested in property and equipment (note 7)	49,281,263	49,333,540
Total net assets without donor restrictions	121,218,976	130,997,122
Net assets with donor restrictions (note 11)	8,846,807	10,135,984
Total net assets	130,065,783	141,133,106
Total liabilities and net assets	\$ 162,545,708	196,178,527

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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Revenue, gains, and other support:						
Assessments:						
Parish	\$ 10,088,426	—	10,088,426	9,893,540	—	9,893,540
Education and other	3,980,942	—	3,980,942	3,895,058	—	3,895,058
Total assessments	14,069,368	—	14,069,368	13,788,598	—	13,788,598
Contributions, donations, gifts, and bequests:						
Annual appeal	9,915,415	—	9,915,415	10,432,070	—	10,432,070
Gifts and bequests	3,442,595	3,366,482	6,809,077	4,477,547	3,365,966	7,843,513
Total contributions, donations, gifts, and bequests	13,358,010	3,366,482	16,724,492	14,909,617	3,365,966	18,275,583
Premiums and insurance billings	26,925,099	—	26,925,099	51,761,915	—	51,761,915
Management fees and computer services	2,362,183	—	2,362,183	700,328	—	700,328
Special program income	698,392	—	698,392	769,946	—	769,946
Advertising and other	875,982	—	875,982	886,776	—	886,776
Rental income	3,558,638	—	3,558,638	3,651,685	—	3,651,685
Net assets released from restrictions (note 1 (m))	4,896,945	(4,896,945)	—	2,346,203	(2,346,203)	—
Total revenue, gains, and other support	66,744,617	(1,530,463)	65,214,154	88,815,068	1,019,763	89,834,831

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

Combined Statements of Activities

Years ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses:						
Program services:						
Catholic education	6,632,301	—	6,632,301	16,989,234	—	16,989,234
Pastoral ministry and social concerns	8,446,767	—	8,446,767	7,827,283	—	7,827,283
Ministerial leadership	9,942,643	—	9,942,643	9,331,501	—	9,331,501
Communications	3,394,286	—	3,394,286	3,348,952	—	3,348,952
Parish services	1,013,340	—	1,013,340	988,026	—	988,026
Insurance and benefits	39,481,713	—	39,481,713	45,893,596	—	45,893,596
Priests' retirement benefits and medical care	(2,568,861)	—	(2,568,861)	4,188,549	—	4,188,549
Propagation of the faith	252,592	—	252,592	320,676	—	320,676
Archdiocesan administration	10,295,419	—	10,295,419	8,304,497	—	8,304,497
Total program services	<u>76,890,200</u>	<u>—</u>	<u>76,890,200</u>	<u>97,192,314</u>	<u>—</u>	<u>97,192,314</u>
Supporting services:						
General and administrative	5,505,002	—	5,505,002	4,861,033	—	4,861,033
Fund-raising	2,505,355	—	2,505,355	2,525,467	—	2,525,467
Total supporting services	<u>8,010,357</u>	<u>—</u>	<u>8,010,357</u>	<u>7,386,500</u>	<u>—</u>	<u>7,386,500</u>
Total expenses	<u>84,900,557</u>	<u>—</u>	<u>84,900,557</u>	<u>104,578,814</u>	<u>—</u>	<u>104,578,814</u>
Increase (decrease) in net assets from operating activities	(18,155,940)	(1,530,463)	(19,686,403)	(15,763,746)	1,019,763	(14,743,983)
NONOPERATING:						
Investment income	8,377,794	241,286	8,619,080	8,833,016	230,009	9,063,025
Change in value of priests' retirement plan and post retirement medical and care fund (note 10(c))	—	—	—	6,367,740	—	6,367,740
Increase in net assets from nonoperating activities	<u>8,377,794</u>	<u>241,286</u>	<u>8,619,080</u>	<u>15,200,756</u>	<u>230,009</u>	<u>15,430,765</u>
Increase (decrease) in net assets	(9,778,146)	(1,289,177)	(11,067,323)	(562,990)	1,249,772	686,782
Net assets at beginning of year	<u>130,997,122</u>	<u>10,135,984</u>	<u>141,133,106</u>	<u>131,560,112</u>	<u>8,886,212</u>	<u>140,446,324</u>
Net assets at end of year	<u>\$ 121,218,976</u>	<u>8,846,807</u>	<u>130,065,783</u>	<u>130,997,122</u>	<u>10,135,984</u>	<u>141,133,106</u>

See accompanying notes to combined financial statements.

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

Combined Statement of Functional Expenses

Years ended June 30, 2024 and 2023

	2024				2023			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries and benefits:								
Compensation of clergy and religious	\$ 2,919,539	20,848	—	2,940,387	2,258,414	7,119	—	2,265,533
Benefits – clergy	3,435,403	23,108	—	3,458,511	3,786,661	8,500	—	3,795,161
Salaries and wages – laypersons	10,917,910	3,024,641	736,028	14,678,579	10,128,687	2,999,867	835,234	13,963,788
Benefits – laypersons	2,413,699	705,541	164,149	3,283,389	2,279,461	689,612	195,070	3,164,143
Total salaries and benefits	19,686,551	3,774,138	900,177	24,360,866	18,453,223	3,705,098	1,030,304	23,188,625
Continuing education and retreats – clergy	2,584,671	—	—	2,584,671	2,389,472	—	—	2,389,472
Supplies	265,662	32,546	1,878	300,086	259,624	40,553	2,144	302,321
Telephone, postage, and printing	1,323,622	1,262,836	924,383	3,510,841	1,307,350	1,344,237	750,192	3,401,779
Conferences, meetings, and travel	861,031	55,916	30,642	947,589	1,050,362	44,502	23,843	1,118,707
Professional fees	6,614,270	426,641	336,198	7,377,109	5,289,884	438,229	378,350	6,106,463
Food and beverages	816,019	31,838	44,314	892,171	829,153	29,237	32,604	890,994
Contributions and grants in aid	5,295,819	6,047	—	5,301,866	14,256,505	1,620	—	14,258,125
Utilities and maintenance	1,319,923	2,065,851	—	3,385,774	1,293,250	1,419,354	—	2,712,604
Interest	42,390	—	—	42,390	99,155	—	—	99,155
Subsidies	1,762,918	—	—	1,762,918	1,959,382	—	—	1,959,382
Other	1,255,142	2,283,730	127,205	3,666,077	1,161,081	2,245,772	165,784	3,572,637
Insurance premiums	5,579,574	—	—	5,579,574	4,908,365	—	—	4,908,365
Claims and benefits	25,188,625	—	—	25,188,625	39,670,185	—	—	39,670,185
Total expenses before allocation	72,596,217	9,939,543	2,364,797	84,900,557	92,926,991	9,268,602	2,383,221	104,578,814
Allocation of property operations and financial, computer, and personnel	4,293,983	(4,434,541)	140,558	—	4,265,323	(4,407,569)	142,246	—
Total expenses after allocation	\$ 76,890,200	5,505,002	2,505,355	84,900,557	97,192,314	4,861,033	2,525,467	104,578,814

See accompanying independent auditors' report.

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

Combined Statements of Cash Flows

Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (11,067,323)	686,782
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,196,591	2,138,530
Net gain on sale of property	(469,788)	(467,492)
Bad debt expense	766,845	679,721
Receipt of contribution of stock	(226,876)	(214,103)
Net unrealized and realized investment (gains) losses	(8,503,451)	(9,966,480)
Accrued liability for priests' retirement plan	(3,877,900)	(6,367,740)
Decrease (increase) in assets:		
Accounts receivable	1,117,620	(1,800,509)
Contributions receivable	59,739	92,645
Prepaid expenses and other assets	(380,433)	123,354
Deferred rent receivable	(922,977)	(940,750)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(325,160)	1,890,080
Insurance claims payable	(7,102,228)	6,742,745
Contributions payable	(4,024,136)	9,714,447
Payable due to affiliate	3,975,231	(237,939)
Funds held on behalf of others	(10,497,260)	104,719
Collections held for disbursement	(438,528)	208,311
Deferred revenue	180,277	(70,792)
Annuities payable	(53,586)	(73,764)
Net cash provided by (used in) operating activities	(39,593,343)	2,241,765
Cash flows from investing activities:		
Proceeds from sale of investments	37,570,799	203,553
Proceeds from sale of property	514,814	518,860
Purchase of property and equipment	(2,591,546)	(2,108,949)
Principal payments received on notes receivable	65,084	60,908
Amounts disbursed for notes receivable	—	(69,000)
Net cash provided by (used in) investing activities	35,559,151	(1,394,628)
Net increase (decrease) in cash and cash equivalents	(4,034,192)	847,137
Cash and cash equivalents at beginning of year	9,699,202	8,852,065
Cash and cash equivalents at end of year	\$ 5,665,010	9,699,202
Supplemental disclosures of non-cash transactions:		
Property and equipment purchases in accounts payable	67,944	470,150

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, 2024 and 2023

(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 titled and deeded to the separate operating entities, 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.

During the fiscal year ended June 30, 2024, the Central Pastoral Administration formed three new affiliated trusts for certain insurance and benefits programs. These trusts were created so that revenues and expenses for each program could be formally segregated under a separate legal entity with surpluses for each program being invested for the benefit of the individual program and its beneficiaries. The new trusts include the following:

The Unemployment Compensation Program Trust, created on July 26, 2023, was established to segregate the funds collected for payment of voluntary unemployment benefits to certain former lay employees whose unemployment resulted from certain termination of employment relationships with a qualifying employing unit of the Roman Catholic Archdiocese of Washington.

The Priests' Supplemental Welfare Benefit Program Trust, created on July 26, 2023, was established to segregate the funds collected for payment of certain welfare and other benefits to priests incardinated in the Roman Catholic Archdiocese of Washington and to certain other priests who are providing services to the Roman Catholic Archdiocese of Washington.

The Health Care Plans Trust, created on September 20, 2023, was established to segregate the funds collected for payment of medical, dental, vision, and prescription benefits to participants in the Roman Catholic Archdiocese of Washington Health Care Laity Plan, the Roman Catholic Archdiocese of Washington Health Care Priests' Plan, and the Roman Catholic Archdiocese of Washington Health Care Plan for Catholic Charities Employees.

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

June 30, 2024 and 2023

(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.

(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.

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Notes to Combined Financial Statements

June 30, 2024 and 2023

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.

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, the shorter of the remaining useful life or lease term; 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

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Notes to Combined Financial Statements

June 30, 2024 and 2023

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 non-financial 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, 2024 and 2023 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, 2024 and 2023. 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:

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Notes to Combined Financial Statements

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Future expenditures for:		
Board designated for capital purchases and maintenance	\$ 21,645,758	20,403,966
Archdiocese of Washington Catholic Schools	2,377,882	2,391,696
Self insurance (employee benefits and insurance)	4,816,138	15,876,603
Reserve for future legal costs and survivors' outreach	876,401	921,190
Archdiocesan charitable giving	335,167	361,136
Continuing ministry activities for Archbishop Emeritus	-	145,428
Building operations and maintenance	360,432	387,772
Deferred rent receivable on 99-year leases, net	18,253,844	17,330,867
Campus ministry and hospital chaplaincies operations	3,088,467	2,659,350
Strategic planning	201,296	269,000
	<u>\$ 51,955,385</u>	<u>60,747,008</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 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, 2024 and 2023, respectively, were \$4,896,945 and \$2,346,203 and consisted of the following:

	<u>2024</u>	<u>2023</u>
Building maintenance for needy parishes and schools	\$ 130,448	311,408
Propagation of the Faith mission work	271,242	339,346
Formation of priests	1,899,248	1,009,506
Religious education and catholic schools office	2,036,000	38,072
Pastoral ministry and social concerns	560,007	268,794
Campus ministry building or rental expense	—	379,077
	<u>\$ 4,896,945</u>	<u>2,346,203</u>

The composition of net assets with donor restrictions as of June 30, 2024 and 2023 is presented in Note 11.

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(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 842, *Leases*. Revenues for recoveries from tenants for other costs are recognized in the period in which the related expenses are incurred.

(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

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securities will occur in the near term and that such change could materially affect the amounts reported in the combined statements of financial position.

(r) Adoption of New Accounting Standards

In June 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new standard replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportive information to inform credit loss estimates. The amendments affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The adoption of this guidance did not have a significant impact on The Central Pastoral Administration’s combined financial statements.

(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:

	2024	2023
Cash and cash equivalents, net of collections held for disbursements	\$ 4,300,848	7,896,512
Investments, net of funds held on behalf of others	78,223,958	96,567,170
Accounts receivable, due within one year	3,856,551	5,752,725
Contributions receivable, due within one year	1,746,354	1,806,093
Notes receivable, due within one year	147,597	200,972
Deferred rent receivable, net, due within one year	1,115,500	1,097,500
	89,390,808	113,320,972
Less amounts unavailable for general expenditures:		
Required to satisfy donor restrictions	(8,846,807)	(10,135,984)
Required to satisfy board designations, other than deferred rent receivable	(33,701,541)	(43,416,141)
Financial assets available to meet cash needs for general expenditures within one year	\$ 46,842,460	59,768,847

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

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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 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

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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 \$76,154,925 and \$87,544,914 at June 30, 2024 and 2023, 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 occur on the first day of the 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, 2024 and 2023 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.

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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:

	Total 2024	Level 1	Level 2	Level 3	NAV
Assets:					
Investment in CITW	\$ 76,154,925	—	—	—	76,154,925
Cash	2,632,864	—	—	—	—
Equity securities - domestic	424,573	424,573	—	—	—
Equity securities - international	29,180	29,180	—	—	—
Corporate bonds	233,795	233,795	—	—	—
US Treasuries	325,638	325,638	—	—	—
Money Market Funds - domestic	36,045	—	36,045	—	—
Municipal obligations	123,215	123,215	—	—	—
Private debt	1,212,195	—	—	1,212,195	—
Other investment - domestic	8,520	—	8,520	—	—
EFTs and CEFs	4,038	4,038	—	—	—
	<u>\$ 81,184,988</u>	<u>1,140,439</u>	<u>44,565</u>	<u>1,212,195</u>	<u>76,154,925</u>

	Total 2023	Level 1	Level 2	Level 3	NAV
Assets:					
Investment in CITW	\$ 87,544,914	—	—	—	87,544,914
Cash	521,480	—	—	—	—
Equity securities - domestic	7,485,409	7,485,409	—	—	—
Equity securities - international	4,537,274	4,537,274	—	—	—
Corporate bonds	2,849,457	2,849,457	—	—	—
US Treasuries	3,452,482	3,452,482	—	—	—
Money Market Funds - domestic	1,097,477	—	1,097,477	—	—
Municipal obligations	668,026	668,026	—	—	—
Private debt	1,824,648	—	—	1,824,648	—
Other investment - domestic	14,700	—	14,700	—	—
Preferred securities (stock)	12,685	12,685	—	—	—
EFTs and CEFs	16,908	16,908	—	—	—
	<u>\$ 110,025,460</u>	<u>19,022,241</u>	<u>1,112,177</u>	<u>1,824,648</u>	<u>87,544,914</u>

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	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2024	2023		
Instrument:				
Private debt	\$ 1,212,195	\$ 1,824,648	Net Asset Value	Value of Underlying Assets

For the years ended June 30, 2024 and 2023, there were only distributions (sales) out of the private debt fund of \$750,000 and \$0, respectively.

(4) Accounts Receivable

Accounts receivable are summarized as follows at June 30:

	2024		
	Gross	Allowance for credit losses	Totals
Accounts receivable:			
Assessments	\$ 716,986	-	716,986
Insurance	2,211,690	(789,975)	1,421,715
Trade	1,387,761	-	1,387,761
Other	1,728,208	(1,398,119)	330,089
	\$ 6,044,645	(2,188,094)	3,856,551
	2023		
	Gross	Allowance for credit losses	Totals
Accounts receivable:			
Assessments	\$ 796,290	-	796,290
Insurance	5,147,202	(1,677,913)	3,469,289
Trade	1,058,273	-	1,058,273
Other	1,482,074	(1,053,201)	428,873
	\$ 8,483,839	(2,731,114)	5,752,725

Of the gross accounts receivable, \$4,026,224 and \$6,774,439 as of June 30, 2024 and 2023, respectively, is due from related parties including parishes and Archdiocesan-related corporations and institutions (note 13).

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(5) Contributions Receivable

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

	2024	2023
Less than one year	\$ 2,378,432	2,459,411
Less allowance for uncollectible contributions receivable	(632,078)	(653,318)
	\$ 1,746,354	1,806,093

(6) Notes Receivable

Notes receivable are summarized as follows at June 30:

	2024	2023
Parishes and schools	\$ 452,860	517,943
	452,860	517,943
Less allowance for uncollectible notes receivable	(305,263)	(316,971)
	\$ 147,597	200,972

(7) Property and Equipment

Property and equipment are summarized as follows at June 30:

	2024	2023
Land	\$ 9,135,135	9,103,889
Future parish sites	622,022	667,048
Buildings	61,198,371	59,973,580
Leasehold improvements	1,269,097	1,094,615
Furniture and equipment	6,092,313	6,020,343
Automobiles	930,982	930,982
Software	1,505,942	1,713,216
Construction in progress	1,712,246	1,310,613
Property and equipment, gross	82,466,108	80,814,286
Less accumulated depreciation	(33,184,845)	(31,480,746)
Property and equipment, net	\$ 49,281,263	49,333,540

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Depreciation and amortization expense was \$2,196,591 and \$2,138,530 for the years ended June 30, 2024 and 2023, respectively.

Construction in progress includes building renovations and upgrades for multiple properties with a total anticipated cost of approximately \$3.2 million.

(8) Deferred Rent Receivable

The Central Pastoral Administration entered into a ground lease arrangement through 2099 using land adjacent to St. Matthew’s Cathedral. The Central Pastoral Administration 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.

The Central Pastoral Administration 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 Central Pastoral Administration 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 does 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 \$18,253,844 and \$17,330,867 at June 30, 2024 and 2023, 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:

	Future minimum rental to be received	Amounts to be paid to St. Matthew’s	Net rental
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
2028	1,877,000	(699,000)	1,178,000
2029	1,981,000	(709,500)	1,271,500
Thereafter	254,604,000	(88,115,500)	166,488,500
	<u>\$ 263,899,000</u>	<u>(91,559,500)</u>	<u>172,339,500</u>

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(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:

	2024	2023
Less than one year	\$ 4,175,136	5,632,997
One year to five years	2,566,275	5,132,550
	\$ 6,741,411	10,765,547

Of the \$6,741,411 in contributions payable at June 30, 2024, \$5,719,746 is payable to Consortium of Catholic Academies, Inc. as described in Note 14(e).

(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 \$23,000 per year for employees less than 50 years of age and up to \$30,500 for those 50 and older. Prior to January 1, 2024, for the first 4% of salary an employee contributed to the Plan, the Central Pastoral Administration provided a 50% match, plus an annual contribution between 1% and 4% based on years of service, regardless of employee participation in the Plan. Effective January 1, 2024, the Central Pastoral Administration began providing a 100% match for employee contributions up to 4%, plus an annual contribution of 2%. Employer contributions vest at a rate of 20% per year for five years.

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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, 2024 and 2023 was \$15,733,805 and \$14,328,742, respectively, of which approximately \$1,128,573 and \$1,076,578, 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, 2024 and 2023, the Central Pastoral Administration had unpaid contributions to the Combined Plans of \$11,248,346 and \$8,758,935, 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 provides for monthly retirement benefits and postretirement medical, dental, vision, prescription, and long term care coverage, along with other benefits, 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 for the monthly retirement benefits are held in a separate Priests' Retirement Benefit Trust and are invested in CITW.

As noted in note 1(a), on July 26, 2023, the Central Pastoral Administration established the Priests' Supplemental Welfare Benefit Program Trust, which separately provides certain benefits for needs beyond those covered by the Priests' Retirement Plan.

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 for these benefits are held in the Priests' Supplemental Welfare Benefit Program Trust.

Prior to June 30, 2024, the accrued benefit cost for the Priests' Retirement Plan was recorded by the Central Pastoral Administration and was included in the combined statements of financial position as accrued liability for priests' retirement plan. Due to the establishment of the Priests' Supplemental Welfare Benefit Program Trust during the fiscal year ended June 30, 2024, the Central Pastoral Administration decided to remove the liability for the Priests' Retirement Plan from its combined

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financial statements and to report the two liabilities separately in each affiliated trust. Therefore, the following table only includes data for the fiscal year ended June 30, 2023.

	Year ended June 30, 2023		
	Retirement benefit	Postretirement medical	Total
Change in benefit obligation:			
Benefit obligation, beginning of year	\$ 37,678,982	27,156,983	64,835,965
Service cost	970,648	824,416	1,795,064
Interest cost	1,615,062	1,178,616	2,793,678
Actuarial (gain) loss	1,745,281	(4,796,654)	(3,051,373)
Benefits paid	<u>(1,396,028)</u>	<u>(948,306)</u>	<u>(2,344,334)</u>
Benefit obligation, end of year	<u>40,613,945</u>	<u>23,415,055</u>	<u>64,029,000</u>
Change in plan assets:			
Fair value of plan assets, beginning of year	54,590,325	-	54,590,325
Actual return on plan assets	5,560,775	-	5,560,775
Employer contributions	1,396,028	948,306	2,344,334
Benefits paid	<u>(1,396,028)</u>	<u>(948,306)</u>	<u>(2,344,334)</u>
Fair value of plan assets, end of year	<u>60,151,100</u>	<u>-</u>	<u>60,151,100</u>
Accrued liability (asset)	<u>\$ (19,537,155)</u>	<u>23,415,055</u>	<u>3,877,900</u>

The Plan's investment in CITW at net asset value is \$60,151,100 at June 30, 2023.

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The following table sets forth the amounts recognized in the combined financial statements as of and for the year ended June 30, 2023:

	Year ended June 30, 2023		
	Retirement benefit	Postretirement medical	Total
Charges other than net periodic benefit cost:			
Net (gain) loss for period	\$ (5,560,775)	(4,796,654)	(10,357,429)
Amortization of net loss	(261,552)	(24,579)	(286,131)
Amortization of prior service cost	-	(388,655)	(388,655)
	\$ (5,822,327)	(5,209,888)	(11,032,215)
Items not yet recognized as a component of net periodic pension/benefit cost:			
Net (gain) loss	\$ 9,381,969	(5,319,275)	4,062,694
Prior service cost	-	4,772,678	4,772,678
	\$ 9,381,969	(546,597)	8,835,372
Actuarial assumptions used:			
End of year benefit obligation discount rate	4.90%	4.90%	
Net periodic benefit cost discount rate	4.40%	4.44%	
Weighted average expected long-term rate of return	6.50%		

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(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:

	2024	2023
Permanently restricted endowments for social concerns	\$ 907,850	907,850
Permanently restricted endowments for formation of priests	629,097	602,344
Earnings on endowments for social concerns	161,032	113,892
Total endowment net assets	1,697,979	1,624,086
Building maintenance for needy parishes and schools	2,736,266	2,866,714
Propagation of the Faith mission work	1,084,065	1,059,481
Formation of priests	1,032,350	2,470,441
Religious education and catholic schools office	330,527	355,527
Pastoral ministry and social concerns	1,965,620	1,745,984
Campus ministry building or rental expense	—	13,751
	\$ 8,846,807	10,135,984

(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 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

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THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON**

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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:

		2024		
		Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$	—	1,697,979	1,697,979
Board designated endowment funds		21,645,758	—	21,645,758
Total funds	\$	<u>21,645,758</u>	<u>1,697,979</u>	<u>23,343,737</u>

		2023		
		Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$	—	1,624,086	1,624,086
Board designated endowment funds		20,403,966	—	20,403,966
Total funds	\$	<u>20,403,966</u>	<u>1,624,086</u>	<u>22,028,052</u>

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

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 20,403,966	1,624,086	22,028,052
Total investment gains	2,072,692	159,622	2,232,314
Appropriation of endowment assets	(830,900)	(85,729)	(916,629)
Endowment net assets, end of year	<u>\$ 21,645,758</u>	<u>1,697,979</u>	<u>23,343,737</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 19,221,863	1,479,915	20,701,778
Total investment losses	1,983,703	157,080	2,140,783
Appropriation of endowment assets	(801,600)	(12,909)	(814,509)
Endowment net assets, end of year	<u>\$ 20,403,966</u>	<u>1,624,086</u>	<u>22,028,052</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 \$0 and \$32,614 at June 30, 2024 and 2023, respectively.

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Notes to Combined Financial Statements

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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:

	<u>2024</u>	<u>2023</u>
Accounts receivable, gross	\$ 4,026,224	6,774,439
Investment in CITW	76,154,915	87,544,916
Notes receivable, gross	452,860	517,943
Receivable due from affiliate, gross	755,018	493,108
Accounts payable and accrued expenses	229,152	249,922
Insurance claims and benefits payable	6,239,291	9,341,658
Contributions payable	6,516,846	10,434,693
Funds held on behalf of others	2,041,725	12,593,721
Payable due to affiliate, gross	4,286,460	651,267
	<u>2024</u>	<u>2023</u>
Revenues:		
Parish assessments	\$ 10,088,426	9,893,540
Special school assessments	3,349,442	3,264,608
Other assessments	631,500	630,450
Special program income	131,559	102,868
Premiums and insurance billings	26,925,099	51,761,915
Gifts and bequests	1,327,862	2,780,889
Rental income	1,058,500	1,072,033
Interest income – notes receivable	4,016	4,783
Management fees and computer services	730,634	688,530
Expenses:		
Catholic education	\$ 2,343,247	2,268,005
Other program service subsidies	1,693,713	1,840,792
Insurance and benefits	6,216,987	12,139,045

(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, 2024 and 2023, the loss reserve was \$886,377 and \$704,888, 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 \$1,243,929 and \$1,109,667 is recorded in other assets in the combined statement of financial position at June 30, 2024 and 2023.

(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, 2024 and 2023. 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 April 30, 2025. The second facility provides up to \$10 million for term loans and expires on April 30, 2025. In addition, a \$660,229 letter of credit is maintained at Capital One Bank. At June 30, 2024 and 2023, the Roman Catholic Archbishop of Washington, a corporation sole, is contingently liable for loans outstanding totaling \$2,078,449 and \$2,553,551.

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Notes to Combined Financial Statements

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(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, 2025.

(e) Funding Commitment

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. As a result, the Central Pastoral Administration recorded a liability of \$10.3 million for this commitment, of which \$3.9 million and \$0.7 million was paid during the fiscal years ended June 30, 2024 and 2023, respectively.

(15) Subsequent Events

In preparing these combined financial statements, the Central Pastoral Administration has evaluated events and transactions for potential recognition or disclosure through March 6, 2025, 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.



INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the combined financial statements of The Central Pastoral Administration of the Roman Catholic Archdiocese of Washington as of and for the years ended June 30, 2024 and 2023, and have issued our report thereon dated March 6, 2025 which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The Combined Statements of Financial Position, Combined Statements of Activities, and Combined Statements of Functional Expenses are presented for the 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 audit 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Arlington, Virginia
March 6, 2025

**THE CENTRAL PASTORAL ADMINISTRATION OF
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Combined Statement of Financial Position

June 30, 2024

Assets	Operations	Insurance services	Redemptoris Mater Seminary	Priests' Pass Through & Care Fund	Propagation of the Faith	Carroll Media	Combined totals
Cash and cash equivalents	\$ 5,650,010	—	15,000	—	—	—	5,665,010
Accounts receivable, net	2,358,829	1,421,715	—	—	—	76,007	3,856,551
Contributions receivable, net	1,746,354	—	—	—	—	—	1,746,354
Prepaid expenses and other assets	905,660	1,435,729	5,139	—	342	63,231	2,410,101
Notes receivable, net	147,597	—	—	—	—	—	147,597
Investments	64,055,225	14,093,416	—	—	1,084,065	1,952,282	81,184,988
Due from (to) others	(91,971)	—	(30,782)	—	207,753	(85,000)	—
Property and equipment, net	49,270,020	—	11,243	—	—	—	49,281,263
Deferred rent receivable, net	18,253,844	—	—	—	—	—	18,253,844
Total assets	\$ 142,295,568	16,950,860	600	—	1,292,160	2,006,520	162,545,708
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 3,790,634	—	—	—	6,472	62,419	3,859,525
Insurance claims and benefits payable	—	12,134,722	—	—	—	—	12,134,722
Contributions payable	6,620,846	—	—	—	120,565	—	6,741,411
Payable due to affiliates	4,133,390	—	—	—	—	—	4,133,390
Funds held on behalf of others	2,960,215	—	—	—	815	—	2,961,030
Collections held for disbursement	1,283,919	—	—	—	80,243	—	1,364,162
Deferred revenue	217,793	—	600	—	—	46,750	265,143
Annuities payable	1,020,542	—	—	—	—	—	1,020,542
Net accrued liability for priests' retirement plan	—	—	—	—	—	—	—
Total liabilities	20,027,339	12,134,722	600	—	208,095	109,169	32,479,925
Net assets:							
Net assets without donor restrictions:							
Undesignated	18,096,220	—	(11,243)	—	—	1,897,351	19,982,328
Designated	47,139,247	4,816,138	—	—	—	—	51,955,385
Invested in property and equipment	49,270,020	—	11,243	—	—	—	49,281,263
Total net assets without donor restrictions	114,505,487	4,816,138	—	—	—	1,897,351	121,218,976
Net assets with donor restrictions	7,762,742	—	—	—	1,084,065	—	8,846,807
Total net assets	122,268,229	4,816,138	—	—	1,084,065	1,897,351	130,065,783
Total liabilities and net assets	\$ 142,295,568	16,950,860	600	—	1,292,160	2,006,520	162,545,708

See accompanying independent auditors' report.

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

Combined Statement of Financial Position

June 30, 2023

Assets	Operations	Insurance services	Redemptoris Mater Seminary	Priests' Pass Through & Care Fund	Propagation of the Faith	Carroll Media	Combined totals
Cash and cash equivalents	\$ 9,636,052	48,150	15,000	—	—	—	9,699,202
Accounts receivable, net	2,142,485	3,451,824	—	33,792	—	124,624	5,752,725
Contributions receivable, net	1,806,093	—	—	—	—	—	1,806,093
Prepaid expenses and other assets	600,534	1,371,467	13,969	—	341	43,357	2,029,668
Notes receivable, net	200,972	—	—	—	—	—	200,972
Investments	77,015,837	25,189,874	—	5,035,446	1,059,481	1,724,822	110,025,460
Due from (to) others	(174,410)	—	(30,942)	—	205,352	—	—
Property and equipment, net	49,326,507	—	7,033	—	—	—	49,333,540
Deferred rent receivable, net	17,330,867	—	—	—	—	—	17,330,867
Total assets	\$ 157,884,937	30,061,315	5,060	5,069,238	1,265,174	1,892,803	196,178,527
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 4,502,383	—	—	17,000	5,051	62,457	4,586,891
Insurance claims and benefits payable	—	14,184,712	—	5,052,238	—	—	19,236,950
Contributions payable	10,638,693	—	—	—	126,854	—	10,765,547
Payable due to affiliates	158,159	—	—	—	—	—	158,159
Funds held on behalf of others	13,456,615	—	860	—	815	—	13,458,290
Collections held for disbursement	1,729,717	—	—	—	72,973	—	1,802,690
Deferred revenue	37,583	—	4,200	—	—	43,083	84,866
Annuities payable	1,074,128	—	—	—	—	—	1,074,128
Net accrued liability for priests' retirement plan	—	—	—	3,877,900	—	—	3,877,900
Total liabilities	31,597,278	14,184,712	5,060	8,947,138	205,693	105,540	55,045,421
Net assets:							
Net assets without donor restrictions:							
Undesignated	23,014,244	—	(7,033)	(3,877,900)	—	1,787,263	20,916,574
Designated	44,870,405	15,876,603	—	—	—	—	60,747,008
Invested in property and equipment	49,326,507	—	7,033	—	—	—	49,333,540
Total net assets without donor restrictions	117,211,156	15,876,603	—	(3,877,900)	—	1,787,263	130,997,122
Net assets with donor restrictions	9,076,503	—	—	—	1,059,481	—	10,135,984
Total net assets	126,287,659	15,876,603	—	(3,877,900)	1,059,481	1,787,263	141,133,106
Total liabilities and net assets	\$ 157,884,937	30,061,315	5,060	5,069,238	1,265,174	1,892,803	196,178,527

See accompanying independent auditors' report.

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

Combined Statement of Activities

Year ended June 30, 2024

	<u>Operations</u>	<u>Insurance services</u>	<u>Redemptoris Mater Seminary</u>	<u>Priests' Pass Through & Care Fund</u>	<u>Propagation of the Faith</u>	<u>Carroll Media</u>	<u>Combined entries</u>	<u>Combined totals</u>
OPERATING:								
Changes in net assets without donor restriction:								
Revenue, gains, and other support:								
Assessments:								
Parish	\$ 8,948,953	—	—	—	—	1,139,473	—	10,088,426
Education and other	3,980,942	—	—	—	—	—	—	3,980,942
Total assessments	<u>12,929,895</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,139,473</u>	<u>—</u>	<u>14,069,368</u>
Contributions, donations, gifts, and bequests:								
Annual Appeal	9,915,415	—	—	—	—	—	—	9,915,415
Gifts and bequests	2,303,124	—	51,065	1,074,374	—	14,032	—	3,442,595
Total contributions, donations, gifts, and bequests	<u>12,218,539</u>	<u>—</u>	<u>51,065</u>	<u>1,074,374</u>	<u>—</u>	<u>14,032</u>	<u>—</u>	<u>13,358,010</u>
Premiums and insurance billings	—	31,793,855	—	444,371	—	—	(5,313,127)	26,925,099
Management fees and computer services	4,535,354	—	—	—	—	—	(2,173,171)	2,362,183
Special program income	676,780	—	—	—	—	21,612	—	698,392
Advertising and other	572,451	134,329	—	—	—	169,202	—	875,982
Rental income	3,621,288	—	—	29,000	—	—	(91,650)	3,558,638
Net assets released from restrictions	<u>4,625,703</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>271,242</u>	<u>—</u>	<u>—</u>	<u>4,896,945</u>
Total unrestricted revenue, gain, and other support	<u>39,180,010</u>	<u>31,928,184</u>	<u>51,065</u>	<u>1,547,745</u>	<u>271,242</u>	<u>1,344,319</u>	<u>(7,577,948)</u>	<u>66,744,617</u>
Expenses:								
Program services:								
Catholic education:								
Tuition assistance and school subsidies	2,343,247	—	—	—	—	—	—	2,343,247
Other programs and administration	4,289,054	—	—	—	—	—	—	4,289,054
Total Catholic education	<u>6,632,301</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,632,301</u>
Pastoral ministry and social concerns	8,446,767	—	—	—	—	—	—	8,446,767
Ministerial leadership	8,182,338	—	1,760,305	—	—	—	—	9,942,643
Communications	2,094,637	—	—	—	—	1,409,649	(110,000)	3,394,286
Parish services	1,013,340	—	—	—	—	—	—	1,013,340
Insurance and benefits	1,293,438	44,676,224	—	—	—	—	(6,487,949)	39,481,713
Priests' retirement benefits and medical care	210,527	—	—	(1,818,039)	—	—	(961,349)	(2,568,861)
Propagation of the Faith	—	—	—	—	271,242	—	(18,650)	252,592
Archdiocesan administration	10,295,419	—	—	—	—	—	—	10,295,419
Total program services	<u>38,168,767</u>	<u>44,676,224</u>	<u>1,760,305</u>	<u>(1,818,039)</u>	<u>271,242</u>	<u>1,409,649</u>	<u>(7,577,948)</u>	<u>76,890,200</u>

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

Combined Statement of Activities

Year ended June 30, 2024

	Operations	Insurance services	Redemptoris Mater Seminary	Priests' Pass Through & Care Fund	Propagation of the Faith	Carroll Media	Combined entries	Combined totals
Supporting expenses:								
General and administrative	5,505,002	—	—	—	—	—	—	5,505,002
Fund-raising	2,505,355	—	—	—	—	—	—	2,505,355
Total supporting services	8,010,357	—	—	—	—	—	—	8,010,357
Total expenses	46,179,124	44,676,224	1,760,305	(1,818,039)	271,242	1,409,649	(7,577,948)	84,900,557
Transfers:								
Subsidize Redemptoris Mater Seminary	(1,709,240)	—	1,709,240	—	—	—	—	—
Total transfers	(1,709,240)	—	1,709,240	—	—	—	—	—
Increase (decrease) in unrestricted net assets from operating activities	(8,708,354)	(12,748,040)	—	3,365,784	—	(65,330)	—	(18,155,940)
Changes in net assets with donor restrictions:								
Gifts and bequests	3,166,677	—	—	—	199,805	—	—	3,366,482
Net assets released from restrictions	(4,625,703)	—	—	—	(271,242)	—	—	(4,896,945)
Decrease in net assets with donor restrictions	(1,459,026)	—	—	—	(71,437)	—	—	(1,530,463)
Increase (decrease) in net assets from operating activities	(10,167,380)	(12,748,040)	—	3,365,784	(71,437)	(65,330)	—	(19,686,403)
NONOPERATING:								
Investment income without donor restriction	6,002,685	1,687,575	—	512,116	—	175,418	—	8,377,794
Investment income with donor restriction	145,265	—	—	—	96,021	—	—	241,286
Increase in net assets from nonoperating activities	6,147,950	1,687,575	—	512,116	96,021	175,418	—	8,619,080
Increase (decrease) in net assets	(4,019,430)	(11,060,465)	—	3,877,900	24,584	110,088	—	(11,067,323)
Net assets at beginning of year	126,287,659	15,876,603	—	(3,877,900)	1,059,481	1,787,263	—	141,133,106
Net assets at end of year	\$ 122,268,229	4,816,138	—	—	1,084,065	1,897,351	—	130,065,783

See accompanying independent auditors' report.

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

Combined Statement of Activities

Year ended June 30, 2023

	<u>Operations</u>	<u>Insurance services</u>	<u>Redemptoris Mater Seminary</u>	<u>Priests' Pass Through & Care Fund</u>	<u>Propagation of the Faith</u>	<u>Carroll Media</u>	<u>Combined entries</u>	<u>Combined totals</u>
OPERATING:								
Changes in unrestricted net assets:								
Revenue, gains, and other support:								
Assessments:								
Parish	\$ 8,772,253	—	—	—	—	1,121,287	—	9,893,540
Education and other	3,895,058	—	—	—	—	—	—	3,895,058
Total assessments	<u>12,667,311</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,121,287</u>	<u>—</u>	<u>13,788,598</u>
Contributions, donations, gifts, and bequests:								
Annual Appeal	10,432,070	—	—	—	—	—	—	10,432,070
Gifts and bequests	3,718,960	—	31,638	709,750	—	17,199	—	4,477,547
Total contributions, donations, gifts, and bequests	<u>14,151,030</u>	<u>—</u>	<u>31,638</u>	<u>709,750</u>	<u>—</u>	<u>17,199</u>	<u>—</u>	<u>14,909,617</u>
Premiums and insurance billings	—	52,475,609	—	4,981,388	—	—	(5,695,082)	51,761,915
Management fees and computer services	4,339,902	—	—	—	—	—	(3,639,574)	700,328
Special program income	742,894	—	—	—	—	27,052	—	769,946
Advertising and other	512,822	86,211	—	1	—	287,742	—	886,776
Rental income	3,634,880	—	—	23,475	—	—	(6,670)	3,651,685
Net assets released from restrictions	2,006,857	—	—	—	339,346	—	—	2,346,203
Total unrestricted revenue, gain, and other support	<u>38,055,696</u>	<u>52,561,820</u>	<u>31,638</u>	<u>5,714,614</u>	<u>339,346</u>	<u>1,453,280</u>	<u>(9,341,326)</u>	<u>88,815,068</u>
Expenses:								
Program services:								
Catholic education:								
Tuition assistance and school subsidies	2,268,005	—	—	—	—	—	—	2,268,005
Other programs and administration	14,721,229	—	—	—	—	—	—	14,721,229
Total Catholic education	<u>16,989,234</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>16,989,234</u>
Pastoral ministry and social concerns	7,827,283	—	—	—	—	—	—	7,827,283
Ministerial leadership	7,760,549	—	1,570,952	—	—	—	—	9,331,501
Communications	2,032,716	—	—	—	—	1,341,236	(25,000)	3,348,952
Parish services	988,026	—	—	—	—	—	—	988,026
Insurance and benefits	1,157,125	52,297,535	—	—	—	—	(7,561,064)	45,893,596
Priests' retirement benefits and medical care	210,527	—	—	5,714,614	—	—	(1,736,592)	4,188,549
Propagation of the Faith	—	—	—	—	339,346	—	(18,670)	320,676
Archdiocesan administration	8,304,497	—	—	—	—	—	—	8,304,497
Total program services	<u>45,269,957</u>	<u>52,297,535</u>	<u>1,570,952</u>	<u>5,714,614</u>	<u>339,346</u>	<u>1,341,236</u>	<u>(9,341,326)</u>	<u>97,192,314</u>

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

Combined Statement of Activities

Year ended June 30, 2023

	<u>Operations</u>	<u>Insurance services</u>	<u>Redemptoris Mater Seminary</u>	<u>Priests' Pass Through & Care Fund</u>	<u>Propagation of the Faith</u>	<u>Carroll Media</u>	<u>Combined entries</u>	<u>Combined totals</u>
Supporting expenses:								
General and administrative	4,861,033	—	—	—	—	—	—	4,861,033
Fund-raising	2,525,467	—	—	—	—	—	—	2,525,467
Total supporting services	7,386,500	—	—	—	—	—	—	7,386,500
Total expenses	52,656,457	52,297,535	1,570,952	5,714,614	339,346	1,341,236	(9,341,326)	104,578,814
Transfers:								
Subsidize Redemptoris Mater Seminary	(1,539,314)	—	1,539,314	—	—	—	—	—
Total transfers	(1,539,314)	—	1,539,314	—	—	—	—	—
Increase (decrease) in unrestricted net assets from operating activities	(16,140,075)	264,285	—	—	—	112,044	—	(15,763,746)
Changes in net assets with donor restrictions:								
Gifts and bequests	3,139,461	—	—	—	226,505	—	—	3,365,966
Net assets released from restrictions	(2,006,857)	—	—	—	(339,346)	—	—	(2,346,203)
Increase (decrease) in net assets with donor restrictions	1,132,604	—	—	—	(112,841)	—	—	1,019,763
Increase (decrease) in net assets from operating activities	(15,007,471)	264,285	—	—	(112,841)	112,044	—	(14,743,983)
NONOPERATING:								
Investment income without donor restriction	8,833,016	—	—	—	—	—	—	8,833,016
Investment income with donor restriction	144,172	—	—	—	85,837	—	—	230,009
Change in value of priests' retirement plan and post retirement medical and care fund	—	—	—	6,367,740	—	—	—	6,367,740
Increase in net assets from nonoperating activities	8,977,188	—	—	6,367,740	85,837	—	—	15,430,765
Increase (decrease) in net assets	(6,030,283)	264,285	—	6,367,740	(27,004)	112,044	—	686,782
Net assets at beginning of year	132,317,942	15,612,318	—	(10,245,640)	1,086,485	1,675,219	—	140,446,324
Net assets at end of year	\$ 126,287,659	15,876,603	—	(3,877,900)	1,059,481	1,787,263	—	141,133,106

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, 2024

	Program services							Insurance and benefits
	Catholic education	Pastoral ministry & social concerns	Ministerial leadership	Redemptoris Mater Seminary	Communi- cations	Carroll Media	Parish services	
Salaries and benefits:								
Compensation of clergy and religious	\$ —	1,006,195	856,505	109,170	—	—	—	—
Benefits – clergy	—	750,882	1,755,005	356,979	—	—	—	—
Salaries and wages – laypersons	2,160,248	2,163,551	801,880	87,832	998,411	787,179	504,350	688,616
Benefits – laypersons	459,889	461,448	181,170	13,976	206,462	188,985	111,855	173,205
Total salaries and benefits	2,620,137	4,382,076	3,594,560	567,957	1,204,873	976,164	616,205	861,821
Continuing education and retreats – clergy	—	7,526	2,074,636	486,442	—	—	—	—
Supplies	8,122	79,301	69,021	58,134	302	810	9	1,065
Telephone, postage, and printing	282,046	117,970	59,670	54,175	313,047	219,021	26,672	150,237
Conferences, meetings, and travel	58,931	292,561	210,714	122,686	9,897	7,126	1,173	11,916
Professional fees	356,950	285,019	132,449	9,295	89,633	39,246	101,700	2,236,669
Food and beverages	91,793	184,821	252,163	149,012	1,527	—	866	1,855
Contributions and grants in aid	2,364,780	556,060	353,845	17,386	—	—	—	1,553,357
Utilities and maintenance	—	186,678	532,018	241,270	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Subsidies	—	1,733,228	—	—	—	—	—	—
Other	97,163	43,442	38,233	53,948	78,281	57,282	45	(163,253)
Insurance premiums	—	—	—	—	—	—	—	5,579,574
Claims and benefits	—	—	—	—	—	—	—	29,066,526
Total expenses before allocation	5,879,922	7,868,682	7,317,309	1,760,305	1,697,560	1,299,649	746,670	39,299,767
Allocation of property operations and financial, computer, and personnel	752,379	578,085	623,057	241,972	203,028	194,049	266,670	181,946
Total expenses after allocation	\$ 6,632,301	8,446,767	7,940,366	2,002,277	1,900,588	1,493,698	1,013,340	39,481,713

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

Combined Statement of Functional Expenses

Year ended June 30, 2024

	Program services				Supporting services				Total 2024
	Priests' retirement benefits & medical care	Propagation of the Faith	Archdiocesan administration	Subtotal program services	General and administrative	Property operations	Fundraising	Subtotal supporting services	
Salaries and benefits:									
Compensation of clergy and religious	\$ 585,742	36,314	325,613	2,919,539	20,848	—	—	20,848	2,940,387
Benefits – clergy	94,357	29,472	448,708	3,435,403	23,108	—	—	23,108	3,458,511
Salaries and wages – laypersons	—	63,442	2,662,401	10,917,910	1,470,830	1,553,811	736,028	3,760,669	14,678,579
Benefits – laypersons	—	9,854	606,855	2,413,699	339,464	366,077	164,149	869,690	3,283,389
Total salaries and benefits	680,099	139,082	4,043,577	19,686,551	1,854,250	1,919,888	900,177	4,674,315	24,360,866
Continuing education and retreats – clergy	12,567	—	3,500	2,584,671	—	—	—	—	2,584,671
Supplies	5,258	61	43,579	265,662	3,460	29,086	1,878	34,424	300,086
Telephone, postage, and printing	7,748	30	93,006	1,323,622	269,225	993,611	924,383	2,187,219	3,510,841
Conferences, meetings, and travel	1,627	386	144,014	861,031	26,883	29,033	30,642	86,558	947,589
Professional fees	250,299	—	3,113,010	6,614,270	236,831	189,810	336,198	762,839	7,377,109
Food and beverages	30	516	133,436	816,019	8,055	23,783	44,314	76,152	892,171
Contributions and grants in aid	—	105,857	344,534	5,295,819	6,047	—	—	6,047	5,301,866
Utilities and maintenance	140,884	—	219,073	1,319,923	77,481	1,988,370	—	2,065,851	3,385,774
Interest	—	—	42,390	42,390	—	—	—	—	42,390
Subsidies	—	—	29,690	1,762,918	—	—	—	—	1,762,918
Other	1	6,660	1,043,340	1,255,142	21,764	2,261,966	127,205	2,410,935	3,666,077
Insurance premiums	—	—	—	5,579,574	—	—	—	—	5,579,574
Claims and benefits	(3,877,901)	—	—	25,188,625	—	—	—	—	25,188,625
Total expenses before allocation	(2,779,388)	252,592	9,253,149	72,596,217	2,503,996	7,435,547	2,364,797	12,304,340	84,900,557
Allocation of property operations and financial, computer, and personnel	210,527	—	1,042,270	4,293,983	3,001,006	(7,435,547)	140,558	(4,293,983)	—
Total expenses after allocation	\$ (2,568,861)	252,592	10,295,419	76,890,200	5,505,002	—	2,505,355	8,010,357	84,900,557

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, 2023

	Program services							
	Catholic education	Pastoral ministry & social concerns	Ministerial leadership	Redemptoris Mater Seminary	Communi- cations	Carroll Media	Parish services	Insurance and benefits
Salaries and benefits:								
Compensation of clergy and religious	\$ —	830,703	710,627	104,423	—	—	—	—
Benefits – clergy	—	584,538	1,539,556	351,877	—	—	—	—
Salaries and wages – laypersons	1,997,564	1,857,391	759,327	84,941	935,402	749,442	456,538	608,691
Benefits – laypersons	437,473	405,769	175,633	13,520	193,096	183,409	96,243	156,172
Total salaries and benefits	<u>2,435,037</u>	<u>3,678,401</u>	<u>3,185,143</u>	<u>554,761</u>	<u>1,128,498</u>	<u>932,851</u>	<u>552,781</u>	<u>764,863</u>
Continuing education and retreats – clergy	—	7,060	1,973,734	351,177	—	—	—	—
Supplies	9,275	77,538	73,663	54,754	2,832	626	52	2,030
Telephone, postage, and printing	274,952	111,185	50,416	47,746	321,408	225,200	32,329	127,144
Conferences, meetings, and travel	32,914	300,404	340,102	125,739	13,083	8,334	2,341	7,371
Professional fees	352,333	226,254	118,194	1,206	87,186	43,367	119,969	2,278,337
Food and beverages	59,969	161,237	289,388	127,360	2,774	—	878	1,851
Contributions and grants in aid	12,965,107	628,094	172,065	14,553	—	—	—	—
Utilities and maintenance	—	124,287	662,909	247,400	—	—	—	—
Interest	—	—	—	—	—	—	—	—
Subsidies	—	1,929,792	—	—	—	—	—	—
Other	98,236	41,799	44,085	46,256	75,089	105,858	9,803	344,114
Insurance premiums	—	—	—	—	—	—	—	4,908,365
Claims and benefits	—	—	—	—	—	—	—	37,275,391
Total expenses before allocation	<u>16,227,823</u>	<u>7,286,051</u>	<u>6,909,699</u>	<u>1,570,952</u>	<u>1,630,870</u>	<u>1,316,236</u>	<u>718,153</u>	<u>45,709,466</u>
Allocation of property operations and financial, computer, and personnel	761,411	541,232	608,878	241,972	205,466	196,380	269,873	184,130
Total expenses after allocation	<u>\$ 16,989,234</u>	<u>7,827,283</u>	<u>7,518,577</u>	<u>1,812,924</u>	<u>1,836,336</u>	<u>1,512,616</u>	<u>988,026</u>	<u>45,893,596</u>

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

Combined Statement of Functional Expenses

Year ended June 30, 2023

	Program services				Supporting services				Total 2023
	Priests' retirement benefits & medical care	Propagation of the Faith	Archdiocesan administration	Subtotal program services	General and administrative	Property operations	Fundraising	Subtotal supporting services	
Salaries and benefits:									
Compensation of clergy and religious	\$ 315,045	30,004	267,612	2,258,414	7,119	—	—	7,119	2,265,533
Benefits – clergy	838,087	29,472	443,131	3,786,661	8,500	—	—	8,500	3,795,161
Salaries and wages – laypersons	—	62,639	2,616,752	10,128,687	1,495,009	1,504,858	835,234	3,835,101	13,963,788
Benefits – laypersons	—	14,551	603,595	2,279,461	337,281	352,331	195,070	884,682	3,164,143
Total salaries and benefits	1,153,132	136,666	3,931,090	18,453,223	1,847,909	1,857,189	1,030,304	4,735,402	23,188,625
Continuing education and retreats – clergy	53,501	—	4,000	2,389,472	—	—	—	—	2,389,472
Supplies	2,706	42	36,106	259,624	2,852	37,701	2,144	42,697	302,321
Telephone, postage, and printing	8,670	3	108,297	1,307,350	292,205	1,052,032	750,192	2,094,429	3,401,779
Conferences, meetings, and travel	873	555	218,646	1,050,362	17,205	27,297	23,843	68,345	1,118,707
Professional fees	287,758	—	1,775,280	5,289,884	249,108	189,121	378,350	816,579	6,106,463
Food and beverages	—	—	185,696	829,153	13,051	16,186	32,604	61,841	890,994
Contributions and grants in aid	—	177,354	299,332	14,256,505	1,620	—	—	1,620	14,258,125
Utilities and maintenance	75,288	—	183,366	1,293,250	67,546	1,351,808	—	1,419,354	2,712,604
Interest	—	—	99,155	99,155	—	—	—	—	99,155
Subsidies	—	—	29,590	1,959,382	—	—	—	—	1,959,382
Other	1,300	6,056	388,485	1,161,081	31,794	2,213,978	165,784	2,411,556	3,572,637
Insurance premiums	—	—	—	4,908,365	—	—	—	—	4,908,365
Claims and benefits	2,394,794	—	—	39,670,185	—	—	—	—	39,670,185
Total expenses before allocation	3,978,022	320,676	7,259,043	92,926,991	2,523,290	6,745,312	2,383,221	11,651,823	104,578,814
Allocation of property operations and financial, computer, and personnel	210,527	—	1,045,454	4,265,323	2,337,743	(6,745,312)	142,246	(4,265,323)	—
Total expenses after allocation	\$ 4,188,549	320,676	8,304,497	97,192,314	4,861,033	—	2,525,467	7,386,500	104,578,814

See accompanying independent auditors' report.



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