

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

Combined Financial Statements

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



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INDEPENDENT AUDITORS' REPORT

His Eminence Robert Cardinal McElroy
Archbishop of Washington
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 (the Central Pastoral Administration), which comprise the combined statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the 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
December 18, 2025

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

Combined Statements of Financial Position

June 30, 2025 and 2024

Assets	2025	2024
Cash and cash equivalents	\$ 5,849,613	5,665,010
Accounts receivable, net (note 4)	4,554,361	3,856,551
Contributions receivable, net (note 5)	1,461,565	1,746,354
Prepaid expenses and other assets	2,521,198	2,410,101
Notes receivable, net (note 6)	117,020	147,597
Investments (note 3)	62,257,160	81,184,988
Property and equipment, net (note 7)	49,297,472	49,281,263
Deferred rent receivable, net (note 8)	<u>19,158,779</u>	<u>18,253,844</u>
 Total assets	 <u>\$ 145,217,168</u>	 <u>162,545,708</u>
Liabilities and Net Assets		
 Liabilities:		
Accounts payable and accrued expenses	\$ 6,638,784	3,859,525
Insurance claims and benefits payable	8,456,161	12,134,722
Contributions payable (note 9)	4,876,989	6,741,411
Payable due to affiliates	-	4,133,390
Funds held on behalf of others	1,156,002	2,961,030
Collections held for disbursement	1,810,989	1,364,162
Deferred revenue	101,506	265,143
Annuities payable	<u>905,082</u>	<u>1,020,542</u>
 Total liabilities	 <u>23,945,513</u>	 <u>32,479,925</u>
 Net assets:		
Net assets without donor restrictions:		
Undesignated	13,323,395	19,982,328
Designated (note 1(m))	49,723,370	51,955,385
Invested in property and equipment (note 7)	<u>49,297,472</u>	<u>49,281,263</u>
 Total net assets without donor restrictions	 <u>112,344,237</u>	 <u>121,218,976</u>
 Net assets with donor restrictions (note 12)	 <u>8,927,418</u>	 <u>8,846,807</u>
 Total net assets	 <u>121,271,655</u>	 <u>130,065,783</u>
 Total liabilities and net assets	 <u>\$ 145,217,168</u>	 <u>162,545,708</u>

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, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Revenue, gains, and other support:						
Assessments:						
Parish	\$ 10,283,534	—	10,283,534	10,088,426	—	10,088,426
Education and other	4,059,244	—	4,059,244	3,980,942	—	3,980,942
Total assessments	<u>14,342,778</u>	<u>—</u>	<u>14,342,778</u>	<u>14,069,368</u>	<u>—</u>	<u>14,069,368</u>
Contributions, donations, gifts, and bequests:						
Annual appeal	9,576,007	—	9,576,007	9,915,415	—	9,915,415
Gifts and bequests	2,373,013	2,563,264	4,936,277	3,442,595	3,366,482	6,809,077
Total contributions, donations, gifts, and bequests	<u>11,949,020</u>	<u>2,563,264</u>	<u>14,512,284</u>	<u>13,358,010</u>	<u>3,366,482</u>	<u>16,724,492</u>
Premiums and insurance billings	24,561,791	—	24,561,791	26,925,099	—	26,925,099
Management fees and computer services	3,011,174	—	3,011,174	2,362,183	—	2,362,183
Special program income	789,107	—	789,107	698,392	—	698,392
Advertising and other	677,332	—	677,332	875,982	—	875,982
Rental income	3,829,216	—	3,829,216	3,558,638	—	3,558,638
Net assets released from restrictions (note 1 (m))	2,651,005	(2,651,005)	<u>—</u>	4,896,945	(4,896,945)	<u>—</u>
Total revenue, gains, and other support	<u>61,811,423</u>	<u>(87,741)</u>	<u>61,723,682</u>	<u>66,744,617</u>	<u>(1,530,463)</u>	<u>65,214,154</u>

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

Combined Statements of Activities

Years ended June 30, 2025 and 2024

	2025		2024			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Expenses:						
Program services:						
Catholic education	6,711,370	—	6,711,370	6,632,301	—	6,632,301
Pastoral ministry and social concerns	10,920,641	—	10,920,641	8,446,767	—	8,446,767
Ministerial leadership	10,405,216	—	10,405,216	9,942,643	—	9,942,643
Communications	3,546,410	—	3,546,410	3,394,286	—	3,394,286
Parish services	996,965	—	996,965	1,013,340	—	1,013,340
Insurance and benefits	26,482,062	—	26,482,062	39,481,713	—	39,481,713
Priests' retirement benefits and medical care	—	—	—	(2,568,861)	—	(2,568,861)
Propagation of the faith	352,069	—	352,069	252,592	—	252,592
Archdiocesan administration	8,289,726	—	8,289,726	10,295,419	—	10,295,419
Total program services	<u>67,704,459</u>	<u>—</u>	<u>67,704,459</u>	<u>76,890,200</u>	<u>—</u>	<u>76,890,200</u>
Supporting services:						
General and administrative	5,869,424	—	5,869,424	5,505,002	—	5,505,002
Fund-raising	2,439,364	—	2,439,364	2,505,355	—	2,505,355
Total supporting services	<u>8,308,788</u>	<u>—</u>	<u>8,308,788</u>	<u>8,010,357</u>	<u>—</u>	<u>8,010,357</u>
Total expenses	<u>76,013,247</u>	<u>—</u>	<u>76,013,247</u>	<u>84,900,557</u>	<u>—</u>	<u>84,900,557</u>
Decrease in net assets from operating activities	<u>(14,201,824)</u>	<u>(87,741)</u>	<u>(14,289,565)</u>	<u>(18,155,940)</u>	<u>(1,530,463)</u>	<u>(19,686,403)</u>
NONOPERATING:						
Investment income	5,327,085	168,352	5,495,437	8,377,794	241,286	8,619,080
Increase in net assets from nonoperating activities	<u>5,327,085</u>	<u>168,352</u>	<u>5,495,437</u>	<u>8,377,794</u>	<u>241,286</u>	<u>8,619,080</u>
Increase (decrease) in net assets	<u>(8,874,739)</u>	<u>80,611</u>	<u>(8,794,128)</u>	<u>(9,778,146)</u>	<u>(1,289,177)</u>	<u>(11,067,323)</u>
Net assets at beginning 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>
Net assets at end of year	<u>\$ 112,344,237</u>	<u>8,927,418</u>	<u>121,271,655</u>	<u>121,218,976</u>	<u>8,846,807</u>	<u>130,065,783</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, 2025 and 2024

	2025				2024			
	Program services	Management and general	Fundraising	Total	Program services	Management and general	Fundraising	Total
Salaries and benefits:								
Compensation of clergy and religious	\$ 2,276,772	21,410	—	2,298,182	2,919,539	20,848	—	2,940,387
Benefits – clergy	3,514,787	29,246	—	3,544,033	3,435,403	23,108	—	3,458,511
Salaries and wages – laypersons	10,797,858	3,340,900	875,294	15,014,052	10,917,910	3,024,641	736,028	14,678,579
Benefits – laypersons	2,424,966	791,415	181,511	3,397,892	2,413,699	705,541	164,149	3,283,389
Total salaries and benefits	19,014,383	4,182,971	1,056,805	24,254,159	19,686,551	3,774,138	900,177	24,360,866
Continuing education and retreats – clergy	2,804,169	250	—	2,804,419	2,584,671	—	—	2,584,671
Supplies	260,780	39,720	7,363	307,863	265,662	32,546	1,878	300,086
Telephone, postage, and printing	1,454,507	1,182,868	846,207	3,483,582	1,323,622	1,262,836	924,383	3,510,841
Conferences, meetings, and travel	1,202,024	66,979	22,949	1,291,952	861,031	55,916	30,642	947,589
Professional fees	3,929,674	461,076	236,060	4,626,810	6,614,270	426,641	336,198	7,377,109
Food and beverages	884,469	35,768	38,833	959,070	816,019	31,838	44,314	892,171
Contributions and grants in aid	5,433,824	4,223	315	5,438,362	5,295,819	6,047	—	5,301,866
Utilities and maintenance	1,351,256	1,444,067	—	2,795,323	1,319,923	2,065,851	—	3,385,774
Interest	59,658	—	—	59,658	42,390	—	—	42,390
Subsidies	2,274,994	—	—	2,274,994	1,762,918	—	—	1,762,918
Other	1,065,936	2,365,590	101,659	3,533,185	1,255,142	2,283,730	127,205	3,666,077
Insurance premiums	5,539,826	—	—	5,539,826	5,579,574	—	—	5,579,574
Claims and benefits	18,644,044	—	—	18,644,044	25,188,625	—	—	25,188,625
Total expenses before allocation	63,919,544	9,783,512	2,310,191	76,013,247	72,596,217	9,939,543	2,364,797	84,900,557
Allocation of property operations and financial, computer, and personnel	3,784,915	(3,914,088)	129,173	—	4,293,983	(4,434,541)	140,558	—
Total expenses after allocation	\$ 67,704,459	5,869,424	2,439,364	76,013,247	76,890,200	5,505,002	2,505,355	84,900,557

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, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Decrease in net assets	\$ (8,794,128)	(11,067,323)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,283,537	2,196,591
Net gain on sale of property	—	(469,788)
Bad debt expense	1,104,415	766,845
Receipt of contribution of stock	(866,141)	(226,876)
Net unrealized and realized investment gains	(5,339,321)	(8,503,451)
Accrued liability for priests' retirement plan	—	(3,877,900)
Decrease (increase) in assets:		
Accounts receivable	(1,329,051)	1,117,620
Contributions receivable	284,789	59,739
Prepaid expenses and other assets	(111,097)	(380,433)
Deferred rent receivable	(904,935)	(922,977)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,779,259	(325,160)
Insurance claims payable	(3,678,561)	(7,102,228)
Contributions payable	(1,864,422)	(4,024,136)
Payable due to affiliate	(4,133,390)	3,975,231
Funds held on behalf of others	(1,805,028)	(10,497,260)
Collections held for disbursement	446,827	(438,528)
Deferred revenue	(163,637)	180,277
Annuities payable	(115,460)	(53,586)
Net cash used in operating activities	<u>(22,206,344)</u>	<u>(39,593,343)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	25,133,290	37,570,799
Proceeds from sale of property	—	514,814
Purchase of property and equipment	(2,299,746)	(2,591,546)
Principal payments received on notes receivable	61,155	65,084
Amounts disbursed for notes receivable	(503,752)	—
Net cash provided by investing activities	<u>22,390,947</u>	<u>35,559,151</u>
Net increase (decrease) in cash and cash equivalents	184,603	(4,034,192)
Cash and cash equivalents at beginning of year	<u>5,665,010</u>	<u>9,699,202</u>
Cash and cash equivalents at end of year	<u>\$ 5,849,613</u>	<u>5,665,010</u>
Supplemental disclosures of non-cash transactions:		
Property and equipment purchases in accounts payable	65,398	67,944

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, 2025 and 2024

(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 (which are now separate legal corporations), parish schools, corporations, trusts, 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.

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Notes to Combined Financial Statements

June 30, 2025 and 2024

(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.

(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

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Notes to Combined Financial Statements

June 30, 2025 and 2024

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.

The Central Pastoral Administration reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

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Notes to Combined Financial Statements

June 30, 2025 and 2024

(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 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, 2025 and 2024 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, 2025 and 2024. 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, 2025 and 2024

	2025	2024
Future expenditures for:		
Board designated for capital purchases and maintenance	\$ 22,495,537	21,645,758
Archdiocese of Washington Catholic Schools	320,636	2,377,882
Self insurance (employee benefits and insurance)	2,746,589	4,816,138
Reserve for future legal costs and survivors' outreach	824,459	876,401
Archdiocesan charitable giving	210,167	335,167
Building operations and maintenance	309,122	360,432
Deferred rent receivable on 99-year leases, net	19,158,779	18,253,844
Campus ministry and hospital chaplaincies operations	3,456,785	3,088,467
Strategic planning	201,296	201,296
	<hr/> \$ 49,723,370	<hr/> 51,955,385

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, 2025 and 2024, respectively, were \$2,651,005 and \$4,896,945 and consisted of the following:

	2025	2024
Building maintenance for needy parishes and schools	\$ 921,828	130,448
Propagation of the Faith mission work	370,719	271,242
Formation of priests	874,628	1,899,248
Religious education and catholic schools office	103,502	2,036,000
Pastoral ministry and social concerns	345,328	560,007
Campus ministry building or rental expense	35,000	—
	<hr/> \$ 2,651,005	<hr/> 4,896,945

The composition of net assets with donor restrictions as of June 30, 2025 and 2024 is presented in Note 12.

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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, and revenue is billed and earned within the same fiscal year. 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

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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:

	2025	2024
Cash and cash equivalents, net of collections held for disbursements	\$ 4,038,624	4,300,848
Investments, net of funds held on behalf of others	61,066,986	78,223,958
Accounts receivable, due within one year	4,554,361	3,856,551
Contributions receivable, due within one year	1,461,565	1,746,354
Notes receivable, due within one year	117,020	147,597
Deferred rent receivable, net, due within one year	<u>1,133,500</u>	<u>1,115,500</u>
	<u>72,372,056</u>	<u>89,390,808</u>
Less amounts unavailable for general expenditures:		
Required to satisfy donor restrictions	(8,927,418)	(8,846,807)
Required to satisfy board designations, other than deferred rent receivable	(30,564,591)	(33,701,541)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 32,880,047</u>	<u>46,842,460</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.

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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 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 \$62,236,488 and \$76,154,925 at June 30, 2025 and 2024, respectively, is estimated using the NAV as a practical expedient. There are no unfunded commitments for this investment.

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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.

Withdrawals are permitted of any or all of the Central Pastoral Administration's Capital Account balance upon written notice received by the General Partner of the CITW Fund, LP at least 90 days prior to the end of any fiscal year and 60 days prior to the end of any fiscal quarter. The General Partner of CITW Fund, LP has the 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, 2025 and 2024 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:

	Total 2025	Level 1	Level 2	Level 3	NAV
Assets:					
Investment in CITW	\$ 62,236,488	—	—	—	62,236,488
Equity securities - domestic	9,852	9,852	—	—	—
Other investment - domestic	10,820	—	10,820	—	—
	\$ 62,257,160	9,852	10,820	—	62,236,488

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	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	—	—
ETFs	4,038	4,038	—	—	—
	\$ 81,184,988	1,140,439	44,565	1,212,195	76,154,925

	Fair Value		Principal Valuation Technique	Unobservable Inputs
	2025	2024		
Instrument:				
Private debt	\$ —	\$ 1,212,195	Net Asset Value	Value of Underlying Assets

For the years ended June 30, 2025 and 2024, there were only distributions (sales) out of the private debt fund of \$1,236,220 and \$750,000, respectively.

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(4) Accounts Receivable

Accounts receivable are summarized as follows at June 30:

	2025		
	Gross	Allowance for credit losses	Totals
Accounts receivable:			
Assessments	\$ 1,031,146	-	1,031,146
Insurance	2,246,884	(854,659)	1,392,225
Trade	1,531,031	-	1,531,031
Other	2,344,634	(1,744,675)	599,959
	<u>7,153,695</u>	<u>(2,599,334)</u>	<u>4,554,361</u>
 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
	<u>6,044,645</u>	<u>(2,188,094)</u>	<u>3,856,551</u>
 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
	<u>8,483,839</u>	<u>(2,731,114)</u>	<u>5,752,725</u>

Of the gross accounts receivable, \$4,784,992 and \$4,026,224 as of June 30, 2025 and 2024, respectively, is due from related parties including parishes and Archdiocesan-related corporations and institutions (note 14).

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(5) Contributions Receivable

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

	2025	2024
Less than one year	\$ 2,039,727	2,378,432
Less allowance for uncollectible contributions receivable	(578,162)	(632,078)
	<u>\$ 1,461,565</u>	<u>1,746,354</u>

(6) Notes Receivable

Notes receivable are summarized as follows at June 30:

	2025	2024
Parishes and schools	\$ 895,457	452,860
	895,457	452,860
Less allowance for uncollectible notes receivable	(778,437)	(305,263)
	<u>\$ 117,020</u>	<u>147,597</u>

(7) Property and Equipment

Property and equipment are summarized as follows at June 30:

	2025	2024
Land	\$ 9,593,589	9,135,135
Future parish sites	622,022	622,022
Buildings	62,087,287	61,198,371
Leasehold improvements	1,269,097	1,269,097
Furniture and equipment	6,593,494	6,092,313
Automobiles	930,982	930,982
Software	1,715,671	1,505,942
Construction in progress	1,790,621	1,712,246
Property and equipment, gross	84,602,763	82,466,108
Less accumulated depreciation	(35,305,291)	(33,184,845)
Property and equipment, net	<u>\$ 49,297,472</u>	<u>49,281,263</u>

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Depreciation and amortization expense was \$2,283,537 and \$2,196,591 for the years ended June 30, 2025 and 2024, respectively.

(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 \$19,158,779 and \$18,253,844 at June 30, 2025 and 2024, 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
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
2030	2,035,000	(720,000)	1,315,000
Thereafter	<u>252,569,000</u>	<u>(87,395,500)</u>	<u>165,173,500</u>
	<u>\$ 262,115,000</u>	<u>(90,891,000)</u>	<u>171,224,000</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:

	2025	2024
Less than one year	\$ 2,870,140	4,175,136
One year to five years	<u>2,006,849</u>	<u>2,566,275</u>
	<u><u>\$ 4,876,989</u></u>	<u><u>6,741,411</u></u>

Of the \$4,876,989 in contributions payable at June 30, 2025, \$4,013,698 is payable to Consortium of Catholic Academies, Inc. as described in Note 15(e).

(10) Benefit Plans

The Central Pastoral Administration serves as administrator for benefit plans that cover employees and/or priests of the Archdiocese of Washington.

(a) *Defined-Contribution Plan*

The Roman Catholic Archdiocese of Washington Retirement Savings Plan (the Savings Plan) is a 403(b) 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 Savings 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. Amounts contributed and earnings thereon accrue directly to the participating employees and therefore are not included in the benefit trust disclosure.

(b) *Defined-Benefit Plan*

The Retirement Plan of The Roman Catholic Archdiocese of Washington (the Pension Plan) is a multiemployer defined-benefit pension plan, which was frozen effective December 31, 2012. No further benefits will be accrued. The Plan covered substantially all full-time lay employees of the Central Pastoral Administration 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

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Paragraph 715-30-55-63, the Central Pastoral Administration accounts for its participation in the Pension Plan as a multiemployer plan.

The Central Pastoral Administration administers the Savings Plan and the Pension 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 contribution expense for the Combined Plans for the years ended June 30, 2025 and 2024 was \$16,210,090 and \$15,733,805, respectively, of which \$1,125,899 and \$1,128,573, 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, 2025 and 2024, the Central Pastoral Administration had unpaid contributions to the Combined Plans of \$7,694,458 and \$11,248,346, 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 (the Plan) provides for two sources of care for retired priests: monthly retirement stipends and postretirement medical, dental, vision, prescription, and long-term care coverage, along with other benefits, to all Archdiocesan retired priests. Locations with priests on assignment make contributions to the Plan. There are no participant contributions. The Central Pastoral Administration contributed \$1,575,050 and \$1,128,573 to the Plan for the years ended June 30, 2025 and 2024, respectively.

Effective July 26, 2024, Priests' Supplemental Welfare Benefit Program Trust separately provides certain benefits for needs beyond those covered by monthly retirement stipend. These benefits include payment of health care insurance premiums, certain long-term care costs, maintenance and operation of the St. John XXIII residence and other benefits.

(d) Health Care Plans Trust

The Archdiocese provides medical, dental, vision and prescription drug 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 contributed \$2,638,186 and \$2,562,790 to the multiemployer Plans for the years ended June 30, 2025 and 2024, respectively.

(e) Unemployment Compensation Program Trust

The Archdiocese provides voluntary unemployment benefits through the multiemployer Unemployment Compensation Program (the Plan) to certain former lay employees whose unemployment resulted from the termination of the employment relationship with a qualifying employing unit of the Archdiocese. The Central Pastoral Administration contributed \$37,621 and \$35,534 to the Plan for the years ended June 30, 2025 and 2024, respectively.

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(11) Benefit Trusts

The Central Pastoral Administration assists in the administration of five benefit trusts. The two retirement trusts are restricted by law to using assets only for the limited purpose of paying retirement benefits. The other three irrevocable trusts were each created for the beneficiaries of specific programs. Each of the five trusts segregates the revenue and expenses for the specific programs covered by the trust for the exclusive use and benefit of the intended program beneficiaries. The beneficiaries of the trusts include priests/employees of the Central Pastoral Administration as well as those of the parishes and other Archdiocesan related entities and are considered multi-employer plans for accounting purposes. For these reasons, the balances and activities of these trusts are not included in the accompanying combined financial statements. The status of the trusts as of and for the year ended June 30, 2025 is as follows:

	Lay Employees Retirement Plan	Priests' Retirement Benefit Trust	Priests' Supplemental Welfare Benefit Program Trust	Lay Health Care Plans Trust	Unemployment Compensation Program Trust
Change in plan assets:					
Fair value of plan assets, beginning of year	\$ 142,962,148	69,028,218	5,789,832	9,752,769	2,232,869
Actual return on plan assets	3,103,656	6,874,855	242,521	349,829	91,427
Employer contributions	5,904,478	—	5,607,211	30,590,571	795,036
Donations	—	—	750,058	—	—
Benefits paid	(17,994,822)	(1,847,906)	(1,885,610)	(29,579,504)	(118,087)
Administrative expenses	(27,005)	(155,989)	(293,259)	(4,202,430)	(103,919)
Fair value of plan assets, end of year	<u>133,948,455</u>	<u>73,899,178</u>	<u>10,210,753</u>	<u>6,911,235</u>	<u>2,897,326</u>
Change in benefit obligation:					
Benefit obligation, beginning of year	150,707,384	39,485,790	38,101,810		
Service cost	—	1,084,721	1,271,863		
Interest cost	7,277,410	2,038,080	1,677,305		
Actuarial (gain) loss	(3,466,608)	9,352,428	(964,231)		
Benefits paid	(17,994,822)	(1,847,906)	(1,885,610)		
Benefit obligation, end of year	<u>136,523,364</u>	<u>50,113,113</u>	<u>38,201,137</u>		
Funded status - over (under) \$	<u>(2,574,909)</u>	<u>23,786,065</u>	<u>(27,990,384)</u>		
Discount rate used to present value the actuarial liabilities					
At beginning of year	5.28%	5.31%	5.33%		
At end of year	5.29%	5.44%	5.53%		

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(12) 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:

	2025	2024
Permanently restricted endowments for social concerns	\$ 997,517	907,850
Permanently restricted endowments for formation of priests	743,850	629,097
Earnings on endowments for social concerns	<u>172,712</u>	<u>161,032</u>
Total endowment net assets	<u>1,914,079</u>	<u>1,697,979</u>
Building maintenance for needy parishes and schools	1,814,438	2,736,266
Propagation of the Faith mission work	975,289	1,084,065
Formation of priests	1,525,205	1,032,350
Religious education and catholic schools office	305,527	330,527
Pastoral ministry and social concerns	<u>2,392,880</u>	<u>1,965,620</u>
	<u><u>\$ 8,927,418</u></u>	<u><u>8,846,807</u></u>

(13) 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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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:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ —	1,914,079	1,914,079
Board designated endowment funds	<u>22,495,537</u>	<u>—</u>	<u>22,495,537</u>
Total funds	<u>22,495,537</u>	<u>1,914,079</u>	<u>24,409,616</u>

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

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

Notes to Combined Financial Statements

June 30, 2025 and 2024

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 21,645,758	1,697,979	23,343,737
Contributions	-	179,334	179,334
Total investment gains	1,666,779	137,902	1,804,681
Appropriation of endowment assets	<u>(817,000)</u>	<u>(101,136)</u>	<u>(918,136)</u>
Endowment net assets, end of year	<u><u>\$ 22,495,537</u></u>	<u><u>1,914,079</u></u>	<u><u>24,409,616</u></u>

	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	<u>(830,900)</u>	<u>(85,729)</u>	<u>(916,629)</u>
Endowment net assets, end of year	<u><u>\$ 21,645,758</u></u>	<u><u>1,697,979</u></u>	<u><u>23,343,737</u></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 at both June 30, 2025 and 2024.

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

Notes to Combined Financial Statements

June 30, 2025 and 2024

(14) 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:

	2025	2024
Accounts receivable, gross	\$ 4,784,992	4,026,224
Investment in CITW	62,236,488	76,154,925
Notes receivable, gross	895,457	452,860
Receivable due from affiliate, gross	900,305	755,018
Accounts payable and accrued expenses	428,067	252,508
Insurance claims and benefits payable	2,604,478	6,239,291
Contributions payable	4,628,698	6,516,846
Funds held on behalf of others	248,290	2,041,725
Payable due to affiliate, gross	54,227	4,286,460
	2025	2024
Revenues:		
Parish assessments	\$ 10,283,534	10,088,426
Special school assessments	3,419,744	3,349,442
Other assessments	639,500	631,500
Special program income	151,148	131,559
Premiums and insurance billings	24,561,791	26,925,099
Gifts and bequests	476,102	1,327,862
Rental income	1,042,850	1,058,500
Interest income – notes receivable	3,699	4,016
Management fees and computer services	783,597	730,634
Expenses:		
Catholic education	\$ 2,319,408	2,343,247
Other program service subsidies	2,236,304	1,693,713
Insurance and benefits	7,003,393	6,216,987

(15) 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.

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

June 30, 2025 and 2024

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 \$1,500,000. 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 \$1,500,000 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, 2025 and 2024, the loss reserve was \$762,218 and \$886,377, 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 \$1,523,054 and \$1,243,929 is recorded in other assets in the combined statement of financial position at June 30, 2025 and 2024.

(b) Legal Contingencies

The Central Pastoral Administration has been named in various lawsuits relating to possible liability incidents. This includes claims and lawsuits filed under the Maryland Child Victims Act of 2023 ("CVA"), which eliminated the statute of limitations for sexual abuse claims and revived certain claims that were previously time-barred. The CVA was amended by the Maryland General Assembly during the 2025 legislative session, among other things, to reduce the maximum amount that a plaintiff could recover for non-economic damages for any claims filed after May 31, 2025.

The Archdiocese has received lawsuits that were filed under the CVA before the changes to the CVA took effect on June 1, 2025. Certain claims and lawsuits are covered, in full or in part, by historical insurance obtained by the Archdiocese of Washington from insurance carriers or through liability protection obtained through the Catholic Mutual Relief Society of America d/b/a Catholic Mutual Group. Other claims and lawsuits are not covered by any insurance or liability protection program.

As of June 30, 2025, the Archdiocese has accrued approximately \$3,000,000 incurred in settling claims and lawsuits arising from historical allegations of sexual abuse in the accompanying combined statements of financial position. The amount of loss from the remaining claims and lawsuits cannot be estimated as of December 18, 2025. The ultimate resolution of these matters and others could result in additional losses that are in excess of insurance coverage (where applicable) and accrued insurance claims payable in the near term.

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

June 30, 2025 and 2024

(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 \$15 million in the aggregate. Lines of credit, letters of credit, and term loans are permitted.

The first facility provides up to \$7.5 million for working capital and standby letters of credit and expires on January 28, 2027. The second facility provides up to \$7.5 million for term loans and expires on January 28, 2027. In addition, a \$660,229 letter of credit is maintained at Capital One Bank. At June 30, 2025 and 2024, the Roman Catholic Archbishop of Washington, a corporation sole, is contingently liable for loans outstanding totaling \$1,913,311 and \$2,078,449.

(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, 2026.

(e) *Funding Commitment*

On December 7, 2022, the Central Pastoral Administration (CPA) provided assurances to the Consortium of Catholic Academies, Inc. (CCA) that it would assume the costs associated with capital projects to replace HVAC systems at each of the four CCA schools. Accordingly, CPA recorded a liability of \$10.0 million in fiscal year 2023 to reflect this commitment.

As of the date of this report, HVAC system replacements have been completed at three of the four schools. CPA directly funded two of these projects, totaling \$5.6 million. The third project was funded by Forward In Faith, Inc., at a cost of \$3 million.

After evaluating the costs incurred and considering future operational and financial priorities, in October 2025, the Central Pastoral Administration, in consultation with CCA, decided not to proceed with the HVAC system replacement at the fourth school. As a result, the remaining portion of the original liability will be adjusted accordingly during the year ended June 30, 2026.

(16) *Subsequent Events*

In preparing these combined financial statements, the Central Pastoral Administration has evaluated events and transactions for potential recognition or disclosure through December 18, 2025, the date that the combined financial statements were available to be issued. During this evaluation, CPA settled certain lawsuits related to the Maryland Child Victims Act of 2023 as described in note 15(b), and accordingly, recorded an additional liability as of June 30, 2025 to reflect this expense.



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

His Eminence Robert Cardinal McElroy
Archbishop of Washington
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, 2025 and 2024, and have issued our report thereon dated December 18, 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 Combining Statements of Financial Position, Combining Statements of Activities, and Combining 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
December 18, 2025

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

Combining Statement of Financial Position

June 30, 2025

Assets	Operations	Insurance services	Redemptoris Mater Seminary	Priests' Pass Through & Care Fund	Propagation of the Faith	Carroll Media	Combined totals
Cash and cash equivalents	\$ 5,832,613	—	15,982	—	—	1,018	5,849,613
Accounts receivable, net	3,077,245	1,392,225	—	—	—	84,891	4,554,361
Contributions receivable, net	1,461,565	—	—	—	—	—	1,461,565
Prepaid expenses and other assets	637,690	1,827,747	16,211	—	342	39,208	2,521,198
Notes receivable, net	117,020	—	—	—	—	—	117,020
Investments	48,288,433	10,949,793	—	—	975,289	2,043,645	62,257,160
Due from (to) others	(367,875)	—	(62,266)	—	430,141	—	—
Property and equipment, net	49,198,548	—	44,924	—	—	54,000	49,297,472
Deferred rent receivable, net	19,158,779	—	—	—	—	—	19,158,779
Total assets	\$ 127,404,018	14,169,765	14,851	—	1,405,772	2,222,762	145,217,168
Liabilities and Net Assets							
Liabilities:							
Accounts payable and accrued expenses	\$ 3,580,398	2,967,015	65	—	7,280	84,026	6,638,784
Insurance claims and benefits payable	—	8,456,161	—	—	—	—	8,456,161
Contributions payable	4,652,698	—	—	—	224,291	—	4,876,989
Funds held on behalf of others	1,155,187	—	—	—	815	—	1,156,002
Collections held for disbursement	1,612,892	—	—	—	198,097	—	1,810,989
Deferred revenue	41,300	—	14,786	—	—	45,420	101,506
Annuities payable	905,082	—	—	—	—	—	905,082
Total liabilities	11,947,557	11,423,176	14,851	—	430,483	129,446	23,945,513
Net assets:							
Net assets without donor restrictions:							
Undesignated	11,329,003	—	(44,924)	—	—	2,039,316	13,323,395
Designated	46,976,781	2,746,589	—	—	—	—	49,723,370
Invested in property and equipment	49,198,548	—	44,924	—	—	54,000	49,297,472
Total net assets without donor restrictions	107,504,332	2,746,589	—	—	—	2,093,316	112,344,237
Net assets with donor restrictions	7,952,129	—	—	—	975,289	—	8,927,418
Total net assets	115,456,461	2,746,589	—	—	975,289	2,093,316	121,271,655
Total liabilities and net assets	\$ 127,404,018	14,169,765	14,851	—	1,405,772	2,222,762	145,217,168

See accompanying independent auditors' report.

Schedule 1

THE CENTRAL PASTORAL ADMINISTRATION OF
THE ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON

Combining 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	<u>\$ 142,295,568</u>	<u>16,950,860</u>	<u>600</u>	<u>—</u>	<u>1,292,160</u>	<u>2,006,520</u>	<u>162,545,708</u>
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
Total liabilities	<u>20,027,339</u>	<u>12,134,722</u>	<u>600</u>	<u>—</u>	<u>208,095</u>	<u>109,169</u>	<u>32,479,925</u>
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	<u>114,505,487</u>	<u>4,816,138</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,897,351</u>	<u>121,218,976</u>
Net assets with donor restrictions	<u>7,762,742</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,084,065</u>	<u>—</u>	<u>8,846,807</u>
Total net assets	<u>122,268,229</u>	<u>4,816,138</u>	<u>—</u>	<u>—</u>	<u>1,084,065</u>	<u>1,897,351</u>	<u>130,065,783</u>
Total liabilities and net assets	<u>\$ 142,295,568</u>	<u>16,950,860</u>	<u>600</u>	<u>—</u>	<u>1,292,160</u>	<u>2,006,520</u>	<u>162,545,708</u>

See accompanying independent auditors' report.

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

Combining Statement of Activities

Year ended June 30, 2025

	Operations	Insurance services	Redemptoris Mater Seminary	Priests' Pass Through & Care Fund	Propagation of the Faith	Carroll Media	Combined entries	Combined totals
OPERATING:								
Changes in net assets without donor restriction:								
Revenue, gains, and other support:								
Assessments:								
Parish	\$ 9,116,819	—	—	—	—	1,166,715	—	10,283,534
Education and other	4,059,244	—	—	—	—	—	—	4,059,244
Total assessments	13,176,063	—	—	—	—	1,166,715	—	14,342,778
Contributions, donations, gifts, and bequests:								
Annual Appeal	9,576,007	—	—	—	—	—	—	9,576,007
Gifts and bequests	2,329,081	—	28,301	—	—	15,631	—	2,373,013
Total contributions, donations, gifts, and bequests	11,905,088	—	28,301	—	—	15,631	—	11,949,020
Premiums and insurance billings	—	26,459,057	—	—	—	—	(1,897,266)	24,561,791
Management fees and computer services	4,832,237	—	—	—	—	—	(1,821,063)	3,011,174
Special program income	768,516	—	—	—	—	20,591	—	789,107
Advertising and other	71,408	279,125	—	—	—	326,799	—	677,332
Rental income	3,744,418	—	176,448	—	—	—	(91,650)	3,829,216
Net assets released from restrictions	2,280,286	—	—	—	370,719	—	—	2,651,005
Total unrestricted revenue, gain, and other support	36,778,016	26,738,182	204,749	—	370,719	1,529,736	(3,809,979)	61,811,423
Expenses:								
Program services:								
Catholic education:								
Tuition assistance and school subsidies	2,319,408	—	—	—	—	—	—	2,319,408
Other programs and administration	4,391,962	—	—	—	—	—	—	4,391,962
Total Catholic education	6,711,370	—	—	—	—	—	—	6,711,370
Pastoral ministry and social concerns	10,920,641	—	—	—	—	—	—	10,920,641
Ministerial leadership	8,369,484	—	2,035,732	—	—	—	—	10,405,216
Communications	2,162,995	—	—	—	—	1,493,415	(110,000)	3,546,410
Parish services	996,965	—	—	—	—	—	—	996,965
Insurance and benefits	523,372	29,640,019	—	—	—	—	(3,681,329)	26,482,062
Priests' retirement benefits and medical care	—	—	—	—	—	—	—	—
Propagation of the Faith	—	—	—	—	370,719	—	(18,650)	352,069
Archdiocesan administration	8,289,726	—	—	—	—	—	—	8,289,726
Total program services	37,974,553	29,640,019	2,035,732	—	370,719	1,493,415	(3,809,979)	67,704,459

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

Combining Statement of Activities

Year ended June 30, 2025

	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	5,869,424	—	—	—	—	—	—	5,869,424
Fund-raising	2,439,364	—	—	—	—	—	—	2,439,364
Total supporting services	8,308,788	—	—	—	—	—	—	8,308,788
Total expenses	46,283,341	29,640,019	2,035,732	—	370,719	1,493,415	(3,809,979)	76,013,247
Transfers:								
Subsidize Redemptoris Mater Seminary	(1,830,983)	—	1,830,983	—	—	—	—	—
Total transfers	(1,830,983)	—	1,830,983	—	—	—	—	—
Increase (decrease) in net assets without donor restrictions	(11,336,308)	(2,901,837)	—	—	—	36,321	—	(14,201,824)
Changes in net assets with donor restrictions:								
Gifts and bequests	2,351,316	—	—	211,948	—	—	—	2,563,264
Net assets released from restrictions	(2,280,286)	—	—	(370,719)	—	—	—	(2,651,005)
Decrease in net assets with donor restrictions	71,030	—	—	(158,771)	—	—	—	(87,741)
Increase (decrease) in net assets from operating activities	(11,265,278)	(2,901,837)	—	—	(158,771)	36,321	—	(14,289,565)
NONOPERATING:								
Investment income without donor restriction	4,335,153	832,288	—	—	—	159,644	—	5,327,085
Investment income with donor restriction	118,357	—	—	—	49,995	—	—	168,352
Increase in net assets from nonoperating activities	4,453,510	832,288	—	—	49,995	159,644	—	5,495,437
Increase (decrease) in net assets	(6,811,768)	(2,069,549)	—	—	(108,776)	195,965	—	(8,794,128)
Net assets at beginning of year	122,268,229	4,816,138	—	—	1,084,065	1,897,351	—	130,065,783
Net assets at end of year	\$ 115,456,461	2,746,589	—	—	975,289	2,093,316	—	121,271,655

See accompanying independent auditors' report.

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

Combining 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
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	<u>10,295,419</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,295,419</u>
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**

Combining 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 net assets without donor restrictions	(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**

Combining Statement of Functional Expenses

Year ended June 30, 2025

	Program services							
	Catholic education	Pastoral ministry & social concerns	Ministerial leadership	Redemptoris Mater Seminary	Communications	Carroll Media	Parish services	Insurance and benefits
Salaries and benefits:								
Compensation of clergy and religious	\$ —	983,467	713,618	113,001	—	—	—	—
Benefits – clergy	—	905,204	1,728,256	371,322	—	—	—	—
Salaries and wages – laypersons	2,193,400	2,290,336	871,827	90,826	1,100,731	775,923	496,785	271,185
Benefits – laypersons	451,469	478,145	262,788	14,379	228,562	187,285	118,619	68,264
Total salaries and benefits	2,644,869	4,657,152	3,576,489	589,528	1,329,293	963,208	615,404	339,449
Continuing education and retreats – clergy	—	13,680	2,107,626	677,363	—	—	—	—
Supplies	7,802	62,979	73,262	70,967	153	84	120	188
Telephone, postage, and printing	361,023	122,414	82,085	52,903	334,920	227,896	28,631	107,129
Conferences, meetings, and travel	52,781	385,205	315,652	118,203	8,812	4,552	3,233	3,019
Professional fees	348,793	250,253	146,989	1,312	89,890	45,305	99,945	1,718,972
Food and beverages	92,141	202,097	230,586	176,069	884	2,583	265	1,122
Contributions and grants in aid	2,397,154	2,269,009	170,861	19,632	—	—	—	—
Utilities and maintenance	—	109,711	734,289	286,538	—	204	—	—
Interest	—	—	—	—	—	—	—	—
Subsidies	—	2,245,904	—	—	—	—	—	—
Other	115,372	49,149	36,220	43,217	34,130	139,583	4,297	65,521
Insurance premiums	—	—	—	—	—	—	—	5,539,826
Claims and benefits	—	—	—	—	—	—	—	18,644,044
Total expenses before allocation	6,019,935	10,367,553	7,474,059	2,035,732	1,798,082	1,383,415	751,895	26,419,270
Allocation of property operations and financial, computer, and personnel	691,435	553,088	653,453	241,972	186,583	178,330	245,070	62,792
Total expenses after allocation	\$ 6,711,370	10,920,641	8,127,512	2,277,704	1,984,665	1,561,745	996,965	26,482,062

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

Combining Statement of Functional Expenses

Year ended June 30, 2025

	Program services				Supporting services				Total 2025
	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	\$ —	37,759	428,927	2,276,772	21,410	—	—	21,410	2,298,182
Benefits – clergy	—	44,446	465,559	3,514,787	29,246	—	—	29,246	3,544,033
Salaries and wages – laypersons	—	65,570	2,641,275	10,797,858	1,884,676	1,456,224	875,294	4,216,194	15,014,052
Benefits – laypersons	—	18,607	596,848	2,424,966	429,652	361,763	181,511	972,926	3,397,892
Total salaries and benefits	—	166,382	4,132,609	19,014,383	2,364,984	1,817,987	1,056,805	5,239,776	24,254,159
Continuing education and retreats – clergy	—	500	5,000	2,804,169	250	—	—	250	2,804,419
Supplies	—	—	45,225	260,780	1,839	37,881	7,363	47,083	307,863
Telephone, postage, and printing	—	—	137,506	1,454,507	519,884	662,984	846,207	2,029,075	3,483,582
Conferences, meetings, and travel	—	136	310,431	1,202,024	32,983	33,996	22,949	89,928	1,291,952
Professional fees	—	—	1,228,215	3,929,674	182,649	278,427	236,060	697,136	4,626,810
Food and beverages	—	—	178,722	884,469	13,301	22,467	38,833	74,601	959,070
Contributions and grants in aid	—	179,726	397,442	5,433,824	4,223	—	315	4,538	5,438,362
Utilities and maintenance	—	—	220,514	1,351,256	63,495	1,380,572	—	1,444,067	2,795,323
Interest	—	—	59,658	59,658	—	—	—	—	59,658
Subsidies	—	—	29,090	2,274,994	—	—	—	—	2,274,994
Other	—	5,325	573,122	1,065,936	48,851	2,316,739	101,659	2,467,249	3,533,185
Insurance premiums	—	—	—	5,539,826	—	—	—	—	5,539,826
Claims and benefits	—	—	—	18,644,044	—	—	—	—	18,644,044
Total expenses before allocation	—	352,069	7,317,534	63,919,544	3,232,459	6,551,053	2,310,191	12,093,703	76,013,247
Allocation of property operations and financial, computer, and personnel	—	—	972,192	3,784,915	2,636,965	(6,551,053)	129,173	(3,784,915)	—
Total expenses after allocation	\$ —	352,069	8,289,726	67,704,459	5,869,424	—	2,439,364	8,308,788	76,013,247

See accompanying independent auditors' report.

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

Combining Statement of Functional Expenses

Year ended June 30, 2024

	Program services							
	Catholic education	Pastoral ministry & social concerns	Ministerial leadership	Redemptoris Mater Seminary	Communications	Carroll Media	Parish services	Insurance and benefits
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**

Combining 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.



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