

**The Roman Catholic Diocese of Greensburg,
A Pennsylvania Charitable Trust**

Financial Statements

Years Ended June 30, 2025 and 2024

with

Independent Auditor's Report



MaherDuessel

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**ROMAN CATHOLIC DIOCESE OF GREENSBURG,
A PENNSYLVANIA CHARITABLE TRUST**

YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditor's Report

The Most Reverend Larry J. Kulick, JCL
Bishop of the Diocese of Greensburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Roman Catholic Diocese of Greensburg, a Pennsylvania Charitable Trust (Trust), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements are not intended to present all funds and related entities of the Diocese of Greensburg at June 30, 2025 and 2024 and, thus, do not represent a comprehensive financial report. This report includes only the financial statements for the Trust. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust'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.

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2025

**ROMAN CATHOLIC DIOCESE OF GREENSBURG,
A PENNSYLVANIA CHARITABLE TRUST**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Temporary investments:		
Current Fund	\$ 4,487,628	\$ 4,204,718
Plant Fund	1,379,618	1,269,729
Missions Fund	267,194	169,562
Total investments	<u>6,134,440</u>	<u>5,644,009</u>
Charitable Remainder Trust	-	364,527
Due from the Unincorporated Association	-	10,433
Investment in the Catholic Foundation for OPEB benefits	14,314,030	12,887,742
Fixed assets:		
Construction in progress	37,644	47,334
Land	728,088	718,289
Furniture and equipment	10,750,452	10,536,505
Buildings	9,271,191	9,223,857
Building improvements	26,677,374	25,898,593
Fixed assets - gross	47,464,749	46,424,578
Less: accumulated depreciation	<u>(32,401,787)</u>	<u>(31,466,311)</u>
Fixed assets - net	<u>15,062,962</u>	<u>14,958,267</u>
Total Assets	<u><u>\$ 35,511,432</u></u>	<u><u>\$ 33,864,978</u></u>
Liabilities and Net Assets		
Liabilities:		
Line of credit	\$ 2,000	\$ 5,000
Due to the Unincorporated Association	513,478	-
Deferred revenue	24,373	24,378
Loans payable to the Catholic Institute of Greensburg	329,139	501,574
Total Liabilities	<u>868,990</u>	<u>530,952</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,215,932	5,451,128
Designated for OPEB	14,314,030	12,887,742
Designated for fixed assets	15,099,851	14,995,156
Total Without Donor Restrictions	<u>34,629,813</u>	<u>33,334,026</u>
With Donor Restrictions	<u>12,629</u>	<u>-</u>
Total Net Assets	<u>34,642,442</u>	<u>33,334,026</u>
Total Liabilities and Net Assets	<u><u>\$ 35,511,432</u></u>	<u><u>\$ 33,864,978</u></u>

See accompanying notes to financial statements.

**ROMAN CATHOLIC DIOCESE OF GREENSBURG,
A PENNSYLVANIA CHARITABLE TRUST**

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues, gains, and other support:		
Interest and dividends, net of investment fees	\$ 387,937	\$ 402,932
Realized/unrealized gains on investments	1,818,325	1,677,512
Facility lease income	645,558	656,980
Contributions	572,177	715,310
Royalties	3,091	4,319
Gain/(loss) on sale of fixed assets	(8,021)	450
Total revenues, gains, and other support	3,419,067	3,457,503
Expenses		
Donations	1,063,980	628,075
Depreciation	939,226	885,101
General and administrative expenses	96,911	90,673
Interest expense	23,163	37,187
Total expenses	2,123,280	1,641,036
Change in net assets without donor restrictions	1,295,787	1,816,467
NET ASSETS WITH DONOR RESTRICTIONS:		
Revenues, gains, and other support:		
Contributions	12,629	-
Change in Net Assets	1,308,416	1,816,467
Net Assets:		
Beginning of year	33,334,026	31,517,559
End of year	\$ 34,642,442	\$ 33,334,026

See accompanying notes to financial statements.

ROMAN CATHOLIC DIOCESE OF GREENSBURG, A PENNSYLVANIA CHARITABLE TRUST

STATEMENTS OF CASH FLOWS

JUNE 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,308,416	\$ 1,816,467
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	939,226	885,101
Net realized/unrealized (gain) loss	(1,818,325)	(1,677,512)
(Gain)/loss on sale of fixed assets	8,021	(450)
Change in operating assets and liabilities:		
Other assets	-	7,523
Charitable Remainder Trust	364,527	(42,221)
Due to/from Unincorporated Association	503,045	(1,615,455)
Deferred revenue	(5)	2,036
Net cash provided by (used in) operating activities	1,304,905	(624,511)
Cash Flows From Investing Activities:		
(Purchase) / sale of investments	(98,394)	1,680,647
(Purchase) / sale of fixed assets	(1,031,076)	(765,180)
Net cash provided by (used in) investing activities	(1,129,470)	915,467
Cash Flows From Financing Activities:		
Payments on loans payable	(172,435)	(202,870)
Payments on line of credit	(3,000)	(88,086)
Net cash provided by (used in) financing activities	(175,435)	(290,956)
Net Increase (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents:		
Beginning of year	-	-
End of year	\$ -	\$ -
Supplemental Information:		
Cash paid for interest	\$ 23,163	\$ 37,187

See accompanying notes to financial statements.

ROMAN CATHOLIC DIOCESE OF GREENSBURG, A PENNSYLVANIA CHARITABLE TRUST

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

1. Summary of Significant Accounting Policies

Reporting Entity

On March 10, 1951, Pope Pius XII, Roman Pontiff, erected the “Diocese of Greensburg” as an ecclesiastical district of the Roman Catholic Church comprising the geographic area of Armstrong, Fayette, Indiana, and Westmoreland counties in the Commonwealth of Pennsylvania. Under civil law, the Diocese of Greensburg exists as an unincorporated association (the “*Diocese*”), pursuant to and in accordance with applicable Pennsylvania law, and serves as the civil instrumentality through which the mission, ministries, and charities of the Roman Catholic Church are administered in the geographic area decreed the “Diocese of Greensburg.” Under the Code of Canon Law (“*Canon Law*”) and in accordance with Pennsylvania law, since the Diocese’s inception, all assets of the Diocese have been entrusted to the Bishop of the Diocese, with the Bishop of the Diocese holding all such property in trust for the benefit of the mission, ministries, and charities of the Roman Catholic Church within the “Diocese of Greensburg.”

In March 2008, recognizing that no written instrument fully specified the powers and duties of the Bishop as trustee, fully described the nature of the assets held by the Bishop as trustee, or identified the intended beneficiaries of the assets held by the Bishop as trustee, the Bishop of the Diocese executed a declaration of trust documenting the historical trust relationship as an express trust known as the Roman Catholic Diocese of Greensburg charitable trust (the “*Trust*”). The Trust exists for the benefit of, to perform the functions of, and to carry out the purposes of the Roman Catholic Church within the “Diocese of Greensburg” and functions at all times to be operated exclusively for charitable, religious or educational purposes by conducting or supporting activities exclusively for the benefit of the Roman Catholic Church within the “Diocese of Greensburg.” Assets of the Trust may be used solely to further the religious, charitable and educational purposes of the Roman Catholic Church within the “Diocese of Greensburg,” and, each fiscal year, the Trust is to distribute and apply such amount of its income or principal as the Bishop as trustee deems appropriate, in the Bishop’s sole discretion, for the purposes of carrying out the mission, ministry, and other charities of the Roman Catholic Church within the “Diocese of Greensburg.” The Most Reverend Larry J. Kulick, JCL currently serves as the trustee for the Trust.

Separate financial statements are prepared and audited for, among other related but separate entities within the “Diocese of Greensburg,” the Diocese, The Catholic Foundation

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

for the Diocese of Greensburg, Pennsylvania, Catholic Charities of the Diocese of Greensburg, Pennsylvania, and Catholic Institute of Greensburg, Pennsylvania, among others. The financial operations of individual parishes and other institutions distinct from the Diocese are not reflected in these financial statements. All significant balances and transactions between the funds presented in these financial statements have been eliminated.

Basis of Accounting and Net Assets

The accompanying financial statements are prepared using the accrual basis of accounting and include the assets, liabilities, net assets, and financial operations of the Trust. Accordingly, revenues are recorded when earned and expenses are recognized when the liabilities are incurred. Any revenues received during the year which have not yet been earned are recorded as deferred income.

Resources are classified for accounting and reporting purposes into classes of net assets based on the existence of donor or grantor-imposed restrictions. Net assets without donor restrictions and net assets with donor restrictions are the two types of net asset classes reported. Gifts of cash and other assets are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as “net assets released from restrictions.” At June 30, 2025, the Trust has net assets with donor restrictions of \$12,629 for retired priests’ living space.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ROMAN CATHOLIC DIOCESE OF GREENSBURG, A PENNSYLVANIA CHARITABLE TRUST

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include currency on hand and demand deposits with financial institutions. Investments in mutual funds and government agency investments are not considered cash equivalents.

Receivables

In 1999, a receivable was recorded to account for a charitable remainder trust. The fair value of the trust, which consisted of money market funds, was \$364,527 at June 30, 2024. Under the terms of the trust, once income from the trust is available, required distributions must be made. This event occurred during the year ended June 30, 2025, with a fair value at the date of dissolution of \$388,295. Under the Trust terms, the income from the trust, up to one million dollars, will be used for the general needs of the Diocese. At the Bishop's direction, the funds have been contributed to a designated endowment held in The Catholic Foundation, to support future capital maintenance of the Diocese, and is included in donations expense on the statement of activities for the year ended June 30, 2025.

Fixed Assets

The Trust capitalizes purchases of land, buildings, and equipment, including related improvements, over \$5,000 and an estimated useful life of more than one year at cost. Real estate acquired by gift is stated at fair market value as of the date of the gift. If property is acquired and the fair market value cannot be determined, the property is stated at nominal value. Depreciation expense is computed under the straight-line method of depreciation over the estimated useful lives of the assets.

Investment in the Catholic Foundation for OPEB Benefits

The Trust has investments designated for the Diocese's other postemployment benefits (OPEB) plan, which are held by the Catholic Foundation for the Diocese of Greensburg. The Trust annually reimburses the Diocese's Current Fund for OPEB payments. Amounts reimbursed for the years ended June 30, 2025 and 2024 were \$232,142 and \$188,880, respectively, and are included in donations expense on the statement of activities.

ROMAN CATHOLIC DIOCESE OF GREENSBURG, A PENNSYLVANIA CHARITABLE TRUST

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Revenue and Revenue Recognition

Unconditional promises to give are recorded as received as either net assets with or without donor restrictions, dependent upon the existence of a donor-imposed restriction. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

The Trust recognizes revenue from the leasing of certain facilities owned by the Trust. Lease fees are billed by the Trust at the time of the rental. Lease revenue received in advance of the lease period is deferred and recognized in the period in which the fee relates.

Expense Allocation

Expenses directly related to a specific program are charged to that program. Management of the Trust believes that donations reported on the statement of activities are program expenses as they are directly related to the purpose of the Trust. Supporting activities reported on the statement of activities include depreciation and interest expense.

Income Taxes

The Diocese is listed in the Official Catholic Directory (OCD). All organizations listed in the OCD are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. In accordance with generally accepted accounting principles, the Diocese accounts for uncertain tax positions, if any, as required. Using the guidance, management has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Reclassification

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

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NOTES TO FINANCIAL STATEMENTS

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2. Investments and Investment Income

In accordance with accounting principles generally accepted in the United States of America, debt and equity investments are carried at fair value. Investments at June 30, 2025 and 2024 consisted primarily of fixed income and equity securities, money market and mutual funds held by an investment company and recorded at fair value of \$6,134,440 and \$5,644,009, respectively.

Investment income (without donor restrictions) consisted of the following:

	June 30, 2025
Dividend and interest income, net of fees	\$ 387,937
Net realized and unrealized gains	1,818,325
Investment income	<u>\$ 2,206,262</u>
	June 30, 2024
Dividend and interest income, net of fees	\$ 402,932
Net realized and unrealized gains	1,677,512
Investment income	<u>\$ 2,080,444</u>

3. Fair Value

In accordance with accounting requirements, current guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices to active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

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Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 or 2024.

Money Market Funds, Mutual Funds, Fixed Income Securities, and Equities: Valued at the actively traded value of shares held at year-end.

Investments in the Catholic Foundation for OPEB Benefits: The Trust's investment in the Catholic Foundation is comprised of an allocation of the Catholic Foundation's total investment balance. The Catholic Foundation's value is based upon the value of the underlying assets. The investments in the Catholic Foundation for OPEB benefits are treated by the Trust as Level 2 investments under the fair value hierarchy because the Trust does not hold a direct interest in the underlying assets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value

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of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, assets at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 624,521	\$ -	\$ -	\$ 624,521
Fixed income:				
Corporate bonds	1,433,499	-	-	1,433,499
Treasury bonds	914,478	-	-	914,478
Agency bonds	547,308	-	-	547,308
Municipal bonds	424,198	-	-	424,198
ETF	527,364	-	-	527,364
Mortgages and asset backed	87,484	-	-	87,484
Equities:				
Industrials	187,738	-	-	187,738
Consumer discretionary	181,335	-	-	181,335
Consumer staples	72,729	-	-	72,729
Energy	46,118	-	-	46,118
Financial	268,400	-	-	268,400
Materials	44,692	-	-	44,692
Information technology	457,308	-	-	457,308
Real estate	31,678	-	-	31,678
Utilities	58,926	-	-	58,926
Health care	72,079	-	-	72,079
Telecommunication services	154,585	-	-	154,585
Charitable remainder trust receivable	-	-	-	-
Investment in the Catholic Foundation for OPEB benefits	-	14,314,030	-	14,314,030
	<u>\$ 6,134,440</u>	<u>\$ 14,314,030</u>	<u>\$ -</u>	<u>\$ 20,448,470</u>

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The following table sets forth by level, within the fair value hierarchy, assets at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 405,608	\$ -	\$ -	\$ 405,608
Fixed income:				
Corporate bonds	1,497,270	-	-	1,497,270
Treasury bonds	1,245,994	-	-	1,245,994
Agency bonds	567,809	-	-	567,809
Municipal bonds	507,122	-	-	507,122
ETF	-	-	-	-
Mortgages and asset backed	51,477	-	-	51,477
Equities:				
Industrials	157,178	-	-	157,178
Consumer discretionary	171,855	-	-	171,855
Consumer staples	71,903	-	-	71,903
Energy	51,776	-	-	51,776
Financial	207,570	-	-	207,570
Materials	41,833	-	-	41,833
Information technology	401,552	-	-	401,552
Real estate	30,505	-	-	30,505
Utilities	47,330	-	-	47,330
Health care	76,589	-	-	76,589
Telecommunication services	110,638	-	-	110,638
Charitable remainder trust receivable	-	-	364,527	364,527
Investment in the Catholic Foundation for OPEB benefits	-	12,887,742	-	12,887,742
	<u>\$ 5,644,009</u>	<u>\$ 12,887,742</u>	<u>\$ 364,527</u>	<u>\$ 18,896,278</u>

4. Loans Payable

A variable-rate loan was obtained for Greensburg Central Catholic Junior-Senior High School to partially finance the construction of an auxiliary gymnasium in the amount of \$726,599 at June 30, 2009, secured by the building. This loan was originally payable to the Catholic Institute of Greensburg, Pennsylvania, in two balloon payments of \$121,000 each, due on June 30, 2010 and 2011, including interest at 4%. Only one principal payment of \$100,000 was made and interest only payments were made through fiscal year 2012. The remaining

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balance is due in equal monthly installments through June 30, 2031. The loan rate was 4.50% through June 30, 2024 and 4.0% for fiscal year 2025. Interest expense was \$9,899 and \$12,607 for the years ended June 30, 2025 and 2024, respectively. The aggregate payments required for annual periods subsequent to June 30, 2025 are as follows:

Fiscal Year	Principal	Interest
2026	\$ 34,619	\$ 8,572
2027	36,029	7,162
2028	37,497	5,694
2029	39,025	4,166
2030	40,615	2,756
2031	41,538	921
Total	<u>\$ 229,323</u>	<u>\$ 29,271</u>

The Trust acquired a 15-year variable-rate loan to finance the renovation of a Christ Our Shepherd Center building to accommodate its tenant, the Seton Hill School of Orthodontics in June 2010. The loan was approved up to \$1,450,000 and is secured by the building. A total of \$1,428,293 has been disbursed on this loan. This loan is payable to the Catholic Institute of Greensburg, Pennsylvania and originally bore interest at 2.75%. The rate reset to 4.50% on July 1, 2023 and to 4.0% on July 1, 2024. The loan matures on April 30, 2028. Interest expense was \$5,501 and \$11,267 for the years ended June 30, 2025 and 2024, respectively.

The aggregate payments required for annual periods subsequent to June 30, 2025 are as follows:

Fiscal Year	Principal	Interest
2026	\$ 32,830	\$ 3,264
2027	34,168	1,926
2028	25,949	544
Total	<u>\$ 92,947</u>	<u>\$ 5,734</u>

The Trust acquired a 15-year variable-rate loan to finance the renovation of the Christ Our Shepherd Center gymnasium building to accommodate its tenant at that time, the Westmoreland Intermediate Unit in the amount of \$506,239. The final disbursement was

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made in November 2011. The loan is secured by the building and is payable to the Catholic Institute of Greensburg, Pennsylvania. The loan originally bore interest at 2.75%. The rate reset to 4.50% beginning July 1, 2023 and 4.0% on July 1, 2024. Interest expense was \$1,195 and \$3,224 for the years ended June 30, 2025 and 2024.

The loan matures in September 2025. The aggregate payments required for annual periods subsequent to June 30, 2025 are \$6,869 in principal and \$275 in interest.

The Trust obtained a \$2.5 million line of credit during the year ended June 30, 2020 from a local financial institution. The line has a maturity date of December 1, 2025. The line bears interest at the Daily SOFR Rate plus 100 basis points and is secured by pledged collateral having a minimum margin value of at least the outstanding principal balance on the line. The interest rates at June 30, 2025 and 2024 were 5.32% and 6.32%, respectively. At June 30, 2025, \$2,000 was outstanding on the line. At June 30, 2024, \$5,000 was outstanding on the line. Expenses related to the line of credit were \$6,568 and \$10,089 for the years ended June 30, 2025 and 2024, respectively. These amounts included commitment fees of \$6,376 and \$6,109 incurred during the years ended June 30, 2025 and 2024, respectively.

5. Liquidity and Availability

The Trust manages its liquid resources by focusing on budgeting efforts to ensure that there are adequate income sources to cover the cost of all programs that are being conducted. The Trust has been very active in fiscal management to ensure the entity remains liquid.

The Trust receives income annually from endowment funds held in, among other places, The Catholic Foundation (the Foundation) which consist of both donor-restricted endowments and funds designated by the Bishop as endowments. These endowments are subject to the Total Return Spending Policy of the Foundation. Under this policy, 4.4% of the rolling three-year average market value of each individual applicable endowment is distributed to support operations and, in some cases, specific programs.

The total return is subject to annual appropriation to the operating budget, when approved annually by the Catholic Foundation Board of Members and Board of Trustees as part of the budget process. Although the Trust does not intend to spend from the corpus of board-designated endowments (other than amounts appropriated for general expenses as part of the annual budget approval), these amounts could be made available if necessary.

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NOTES TO FINANCIAL STATEMENTS

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As part of its liquidity management plan, the Trust invests its cash in excess of daily requirements in short-term investments, and money market funds. The Trust manages its cash, short-term investments, and money market funds to ensure that sufficient cash is available to cover operating expenses and liabilities as they come due. These amounts may fluctuate between years.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 20, 2025:

Total assets, at year end	\$ 35,511,432
Capital assets, net	(15,062,962)
Assets designated for OPEB benefits	(14,314,030)
Net assets with donor restriction	<u>(12,629)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 6,121,811</u>

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following at June 20, 2024:

Total assets, at year end	\$ 33,864,978
Capital assets, net	(14,958,267)
Assets designated for OPEB benefits	(12,887,742)
Charitable Remainder Trust	<u>(364,527)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 5,654,442</u>

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6. Facility Lease Income

The Trust owns facilities which it leases to third-party tenants under non-cancelable operating lease agreements. Lease terms range from one to ten years and include provisions for annual rent increases based on inflation or market adjustments.

Rental income recognized during the years ended June 30, 2025 and 2024 totaled \$645,558 and \$656,980, respectively, and is reported as facility lease income in the statement of activities. Facility lease income received in excess of annual debt service payments related to the leased property is transferred to the Diocese of Greensburg's Current Fund to support the operating and maintenance costs of the facility. Amounts transferred for the years ended June 30, 2025 and 2024 were \$467,311 and \$439,195, respectively, and are included in donations expense on the statement of activities.

Future minimum lease payments to be received under these agreements are as follows for the year ending June 30:

2026	\$ 632,657
2027	608,134
2028	581,830
2029	<u>73,119</u>
Total	<u>\$1,895,740</u>

The Trust is responsible for standard maintenance and property management services but does not provide significant lease incentives or tenant improvements.

7. Commitments and Contingencies

The Diocese announced a Comprehensive Reconciliation Initiative (Initiative) in February 2019, to help survivors of clergy sexual abuse, which included the adoption of a Survivors' Compensation Program. Although the Survivors' Compensation Program has since closed, the Initiative continues and is ongoing. The Initiative has resulted, to date, in settlements with approximately 80 survivors, totaling in excess of \$8 million. The Diocese Self-Insurance Fund is absorbing the expense of this Initiative, and because the Trust is a separate

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corporate entity, its assets would not be subject to the reach of the Diocese's general creditors.

In the ordinary course of conducting charitable, religious, social, and educational ministries, the Diocese is exposed to risks of loss for which the Diocese carries commercial insurance. There are various matters of pending or threatened litigation in which the Diocese is involved. In the opinion of the Diocese's management, the effect on the financial statements of potential losses associated with any such claim and/or lawsuit should not be material. Accordingly, the financial statements do not include an adjustment for any potential liability that may arise from pending claims.