

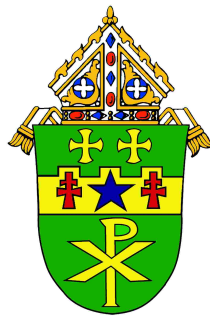
The Diocese of Greensburg, Pennsylvania

Financial Statements and Supplementary Information

Years Ended June 30, 2025 and 2024

with

Independent Auditor's Report



MaherDuessel

Pursuing the profession while promoting the public good©
www.md-cpas.com

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2025 AND 2024

TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements:

Statements of Financial Position	1
Statements of Activities	3
Statements of Cash Flows	5
Notes to Financial Statements	6

Supplementary Information:

Schedules of Current Fund Revenues and Other Support – Without Donor Restrictions	27
Schedules of Current Fund Expenses – Without Donor Restrictions	29
Combining Schedules of Diocesan High Schools - Assets, Liabilities, and Net Assets	30
Combining Schedules of Diocesan High Schools - Revenues and Expenses	31
Combining Schedules of Diocesan Agency Funds - Assets, Liabilities, and Net Assets	32
Combining Schedules of Diocesan Agency Funds - Revenues and Expenses	33
Custodian Fund - Schedules of Additions and Deductions	34

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 Diocese of Greensburg, Pennsylvania (Diocese), an Unincorporated Association, 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 Diocese 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 Diocese 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 Catholic 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 Diocese. 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 Diocese'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 Diocese'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 Diocese's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2025

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

Assets	Current Fund	High Schools Fund	Self-Insurance Fund	Pension Accounting Fund	Education, Discipleship & Formation Fund	Agency Fund	Elimination	2025 Total	2024 Total
Cash and cash equivalents	\$ 54,030	\$ 344,584	\$ -	\$ -	\$ -	\$ 28,238	\$ -	\$ 426,852	\$ 491,194
Investments:									
Temporary investments and deposits	2,626,567	383,699	1,994,080	-	-	-	-	5,004,346	4,413,208
Other investments	55,673	-	-	-	-	-	-	55,673	55,673
Total investments	<u>2,682,240</u>	<u>383,699</u>	<u>1,994,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,060,019</u>	<u>4,468,881</u>
Receivables:									
Parishes and schools	3,498,644	-	-	-	-	-	-	3,498,644	2,923,799
Ordained priests	364,518	-	-	-	-	-	-	364,518	325,929
Other	161,290	382,425	27,280	-	-	-	(80,491)	490,504	514,088
Less: allowance for credit losses	<u>(1,079,336)</u>	<u>(280,558)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,359,894)</u>	<u>(1,349,480)</u>
Total receivables, net	<u>2,945,116</u>	<u>101,867</u>	<u>27,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,491)</u>	<u>2,993,772</u>	<u>2,414,336</u>
Prepaid and other assets	173,321	-	-	-	-	-	-	173,321	105,097
Due from other funds	505,841	104,044	-	-	1,301,464	43,137	-	1,954,486	2,865,178
Due from other Diocesan entities	719,955	-	-	-	-	-	-	719,955	221,683
Total Assets	<u><u>\$ 7,080,503</u></u>	<u><u>\$ 934,194</u></u>	<u><u>\$ 2,021,360</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,301,464</u></u>	<u><u>\$ 71,375</u></u>	<u><u>\$ (80,491)</u></u>	<u><u>\$ 11,328,405</u></u>	<u><u>\$ 10,566,369</u></u>

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

(Continued)

	Current Fund	High Schools Fund	Self-Insurance Fund	Pension Accounting Fund	Education, Discipleship & Formation Fund	Agency Fund	Elimination	2025	2024
Liabilities and Net Assets (Deficits)								Total	
Liabilities:									
Accounts payable	\$ 1,544,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,544,403	\$ 1,091,340
Accrued expenses	105,364	123,894	890,430	-	-	-	-	1,119,688	2,012,725
Agency and trust accounts:									
Funds held in escrow for others	-	344,584	-	-	-	85,877	(80,491)	349,970	284,896
Total agency and trust accounts	-	344,584	-	-	-	85,877	(80,491)	349,970	284,896
Deferred income	244,536	-	-	-	-	-	-	244,536	116,223
Accrued pension - lay plan	-	-	-	3,550,373	-	-	-	3,550,373	5,565,379
Accrued pension - priests	-	-	-	760,178	-	-	-	760,178	1,621,838
Accrued OPEB - priests	-	-	-	4,360,630	-	-	-	4,360,630	3,919,822
Due to other funds	1,423,443	25,201	404,944	-	-	100,898	-	1,954,486	2,865,178
Due to other Diocesan entities	368,656	-	-	-	-	-	-	368,656	63,763
Total Liabilities	3,686,402	493,679	1,295,374	8,671,181	-	186,775	(80,491)	14,252,920	17,541,164
Net Assets (Deficits):									
Without donor restrictions:									
Undesignated	(1,041,682)	(322)	725,986	(8,671,181)	1,205,340	(115,400)	-	(7,897,259)	(12,200,722)
Designated	298,139	24,200	-	-	-	-	-	322,339	425,937
Total without donor restrictions	(743,543)	23,878	725,986	(8,671,181)	1,205,340	(115,400)	-	(7,574,920)	(11,774,785)
With donor restrictions	4,137,644	416,637	-	-	96,124	-	-	4,650,405	4,799,990
Total Net Assets (Deficits)	3,394,101	440,515	725,986	(8,671,181)	1,301,464	(115,400)	-	(2,924,515)	(6,974,795)
Total Liabilities and Net Assets (Deficits)	\$ 7,080,503	\$ 934,194	\$ 2,021,360	\$ -	\$ 1,301,464	\$ 71,375	\$ (80,491)	\$ 11,328,405	\$ 10,566,369

(Concluded)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	Current Fund	High Schools Fund	Self-Insurance Fund	Pension Accounting Fund	Education, Discipleship & Formation Fund	Agency Fund	Eliminations	2025 Total	2024 Total
Net Assets Without Donor Restrictions:									
Revenues, gains, and other support:									
Diocesan billings and assessments	\$ 3,643,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,643,276	\$ 3,577,389
Contributions/grants	4,524,335	-	-	-	-	-	-	4,524,335	4,615,632
Investment and endowment income	1,059,453	-	55,217	-	-	5,100	-	1,119,770	1,223,553
Auxiliary services	674,851	-	-	-	-	-	-	674,851	659,147
Other revenues	2,817,612	-	-	-	-	92,460	-	2,910,072	2,853,332
Diocesan high schools	-	6,763,838	-	-	-	-	(475,000)	6,288,838	6,625,414
Education and tuition assistance	-	-	-	-	5,868,119	-	(620,000)	5,248,119	5,209,112
Diocesan self-insurance program	-	-	13,470,910	-	-	-	-	13,470,910	10,941,681
Retained portion of external collections	39,621	-	-	-	-	-	-	39,621	47,361
Catholic campaign for human development	-	-	-	-	-	-	-	-	50,999
Total revenues, gains, and other support	12,759,148	6,763,838	13,526,127	-	5,868,119	97,560	(1,095,000)	37,919,792	35,803,620
Expenses and losses:									
Education	2,764,460	-	-	-	-	-	(620,000)	2,144,460	2,043,424
High school operations	-	7,016,272	-	-	-	-	-	7,016,272	6,633,995
Tuition assistance and faith formation	-	-	-	-	4,982,237	-	(475,000)	4,507,237	4,391,540
Auxiliary services	768,850	-	-	-	-	-	-	768,850	796,463
Pastoral	2,208,711	-	-	-	-	11,507	-	2,220,218	2,197,950
Social services	384,200	-	-	-	-	-	-	384,200	385,273
Diocesan administrative offices	5,867,537	-	-	-	676,059	93,367	-	6,636,963	5,968,935
Religious personnel development	674,207	-	-	-	-	-	-	674,207	922,290
Self-insurance program	-	-	11,264,554	-	-	-	-	11,264,554	12,099,501
Victim's Comprehensive Reconciliation Initiative	-	-	3,960	-	-	-	-	3,960	4,160
Donations	110,996	-	-	-	-	-	-	110,996	57,985
Total expenses and losses	12,778,961	7,016,272	11,268,514	-	5,658,296	104,874	(1,095,000)	35,731,917	35,501,516
Excess (Deficiency) of Revenues, Gains, and Other Support Over Expenses and Losses Before Other Changes	(19,813)	(252,434)	2,257,613	-	209,823	(7,314)	-	2,187,875	302,104

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

(Continued)

	Current Fund	High Schools Fund	Self-Insurance Fund	Pension Accounting Fund	Education, Discipleship & Formation Fund	Agency Fund	Eliminations	2025	2024
								Total	
Other changes:									
Change in pension and OPEB liabilities	-	-	-	2,435,858	-	-	-	2,435,858	2,579,254
Transfer from other funds	100,000	-	-	-	-	-	-	100,000	75,000
Transfer from other Diocesan entities	-	-	-	-	-	82,010	-	82,010	201,661
Transfer to other Diocesan entities	(288,063)	(217,815)	-	-	-	-	-	(505,878)	(653,165)
Transfer to other funds	-	-	-	-	(100,000)	-	-	(100,000)	(75,000)
Total other changes	<u>(188,063)</u>	<u>(217,815)</u>	<u>-</u>	<u>2,435,858</u>	<u>(100,000)</u>	<u>82,010</u>	<u>-</u>	<u>2,011,990</u>	<u>2,127,750</u>
Change in Net Assets Without Donor Restrictions	<u>(207,876)</u>	<u>(470,249)</u>	<u>2,257,613</u>	<u>2,435,858</u>	<u>109,823</u>	<u>74,696</u>	<u>-</u>	<u>4,199,865</u>	<u>2,429,854</u>
Net Assets with Donor Restrictions:									
Grants/contributions	4,502,337	111,491	-	-	70,034	-	-	4,683,862	5,306,183
Net assets released from restrictions	(4,646,148)	(114,466)	-	-	(72,833)	-	-	(4,833,447)	(5,453,115)
Change in Net Assets with Donor Restrictions	<u>(143,811)</u>	<u>(2,975)</u>	<u>-</u>	<u>-</u>	<u>(2,799)</u>	<u>-</u>	<u>-</u>	<u>(149,585)</u>	<u>(146,932)</u>
Change in Net Assets	<u>(351,687)</u>	<u>(473,224)</u>	<u>2,257,613</u>	<u>2,435,858</u>	<u>107,024</u>	<u>74,696</u>	<u>-</u>	<u>4,050,280</u>	<u>2,282,922</u>
Net Assets (Deficits):									
Beginning of year	3,745,788	913,739	(1,531,627)	(11,107,039)	1,194,440	(190,096)	-	(6,974,795)	(9,257,717)
End of year	<u>\$ 3,394,101</u>	<u>\$ 440,515</u>	<u>\$ 725,986</u>	<u>\$ (8,671,181)</u>	<u>\$ 1,301,464</u>	<u>\$ (115,400)</u>	<u>\$ -</u>	<u>\$ (2,924,515)</u>	<u>\$ (6,974,795)</u>

(Concluded)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 4,050,280	\$ 2,282,922
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized (gain) on investments	-	(7,374)
Changes in operating assets and liabilities:		
Receivables	(579,436)	(100,458)
Accounts payable	453,063	(200,800)
Accrued expenses	(893,037)	(339,084)
Agency and trust accounts	65,074	(99,370)
Deferred income	128,313	17,896
Prepaid and other assets	(68,224)	(23,144)
Due to/from other Diocesan entities	(193,379)	1,583,327
Accrued postretirement benefits	440,808	152,388
Accrued pensions	<u>(2,876,666)</u>	<u>(2,731,642)</u>
Net cash provided by (used in) operating activities	<u>526,796</u>	<u>534,661</u>
Cash Flows From Investing Activities:		
(Purchase) sale of investments	<u>(591,138)</u>	<u>(460,318)</u>
Net cash provided by (used in) investing activities	<u>(591,138)</u>	<u>(460,318)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(64,342)	74,343
Cash and Cash Equivalents:		
Beginning of year	<u>491,194</u>	<u>416,851</u>
End of year	<u>\$ 426,852</u>	<u>\$ 491,194</u>

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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.” Accordingly, under the leadership of the Bishop and in accordance with the Code of Canon Law (“*Canon Law*”) and applicable Pennsylvania law, the Diocese provides various services for and financial and other assistance to Catholic parishes, Catholic schools, and certain other Catholic institutions within the geographic area decreed as the “Diocese of Greensburg.” The Most Reverend Larry J. Kulick, JCL serves as the current Bishop of the Diocese and is individually responsible for the teaching, sanctification, and governance of the Diocese.

The financial statements include activities of the Diocese, including, among other funds, the following:

Current Fund – This fund accounts for financial transactions for the ordinary or central administrative operations of the Diocese. Net assets include those with and without donor restrictions.

High Schools – This fund accounts for financial transactions for the operations of the two diocesan schools, Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School. Net assets include those with and without donor restrictions.

A scholarship opportunity has been established for students who wish to attend a Catholic school in the Diocese of Greensburg called the Saint Pope John Paul II Tuition Opportunity Partnership (TOP). The TOP student initiative was founded in 2020 by an anonymous donor from the local business community who received Catholic education and was profoundly influenced by Saint Pope John Paul II. The original \$2.4 million commitment provided tuition assistance for the 12 Catholic Schools in the Diocese of Greensburg to families that demonstrate a financial need and express a willingness to provide some financial contribution to the cost of the education and agree to support the child’s academic progress and faith life. In the fiscal year ended June 30, 2025, \$2.6 million was received for

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

the program. Of this amount, support of \$479,275 and \$321,500 was recognized in the year ended June 30, 2025 by Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School, respectively. In the fiscal year ended June 30, 2024, \$2.7 million was received for the program. Of this amount, support of \$569,025 and \$337,000 was recognized in the year ended June 30, 2024 by Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School, respectively.

Self-Insurance Fund – This fund accounts for financial transactions for the self-insurance program for the central administrative operations of the Diocese, the schools in the Diocese of Greensburg, and parishes in the Diocese of Greensburg. Net assets are without donor restrictions.

Pension Accounting Fund – The pension accounting fund accounts for the total liability due to participants in the Diocese’s pension and other postretirement benefits plans. Participants include diocesan and non-diocesan employees. As plan sponsor, the Diocese retains the total liability. In the statement of activities, the amount included as “change in pension and OPEB liabilities” includes actuarial gains and losses not included in current billings to participating entities, as well as changes in amounts estimated to be over/under billings to the participating entities. Net assets are without donor restrictions. At June 30, 2025, approximately 68% of the fund’s deficit for the lay employees, and approximately 83% of the fund’s deficit for the priests is expected to be funded by future parish billings. Diocesan operations will fund the remaining 32% and 17%, respectively. At June 30, 2024, approximately 68% of the fund’s deficit for the lay employees, and approximately 84% of the fund’s deficit for the priests is expected to be funded by future parish billings. Diocesan operations will fund the remaining 32% and 16%, respectively. Investments designated for the other postretirement benefits plan of \$14,314,030 and \$12,887,742 at June 30, 2025 and 2024, respectively, are held by the Roman Catholic Diocese of Greensburg, a Pennsylvania Charitable Trust (Trust).

Education, Discipleship & Formation Fund - This fund accounts for the financial transactions for providing education assistance to the high schools as well as the elementary schools in the Diocese of Greensburg. Grants to the elementary schools for capital projects are also accounted for in this fund. The fund also provides financial assistance to the parishes in the Diocese of Greensburg for the newly formed Regional Faith Formation program by subsidizing the salary and benefit costs of the Regional Faith Formation Directors and Regional Youth Ministry Directors. Net assets include those with and without donor restrictions.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Agency Fund – This fund was established for the Society for the Propagation of the Faith (Mission Office) and Custodial Fund to operate in a fiduciary capacity, essentially as pass-through entities, to collect, hold, and remit amounts contributed by parishes and individuals for their intended purposes. The fund’s deficit at June 30, 2025 can be paid by withdrawal from its investments held in the Trust.

The Diocese receives funding from a variety of sources, including donations from the faithful, endowments of which the Diocese is a beneficiary, and certain trusts of which the Diocese is a beneficiary. In accordance with Canon Law and as permitted by Pennsylvania law, since the inception of the Diocese, property of the Diocese has 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, 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”).

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

The accompanying financial statements are prepared using the accrual basis of accounting and include the assets, liabilities, net assets, and financial operations of certain activities of the Diocese and certain supporting trusts. 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

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

without donor restrictions and reported in the statements of activities as “net assets released from restrictions.”

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.

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.

At year-end, and at various times throughout the year, cash balances were maintained in excess of the federally insured limits for the years ended June 30, 2025 and 2024. The deposits were held at various financial institutions. The solvency of the financial institutions is monitored and is not a concern of management at this time.

Receivables

The Current Fund has established an allowance for credit losses that includes an amount for all parishes and schools in arrears on their monthly billing, adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The parish and school receivable balance at July 1, 2023, the beginning of the fiscal years reported, was \$2,332,473. At June 30, 2024, and 2025, respectively, the end of the fiscal year, the parish and school receivable balances were \$2,923,799 and \$3,498,644. These balances include both program service revenues related to assessment and insurance billings, but also non-program billings related to employee compensation for parish and school employees which are not revenues to the Diocese.

A receivable and corresponding allowance for credit losses on student accounts is recorded in the High Schools fund related to tuition accounts from past school years. The allowance estimate is derived from a review of historical losses based on the aging of tuition accounts. This estimate is adjusted for management’s assessment of current conditions, reasonable

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

and supportable forecasts regarding future events, and any other factors deemed relevant. Student tuition receivable, net of allowance for credit losses at July 1, 2023, the beginning of the fiscal years presented, was \$156,132 and at June 30, 2024, the end of the fiscal year, student tuition receivable, net of allowance for credit losses was \$104,782. At June 30, 2025, the student tuition receivable, net of allowance for credit losses was \$67,185.

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 Diocese recognizes revenue from billings and assessments for centralized administrative and programmatic support from the parishes and schools. The Diocese bills the parishes and schools based on standard rates that are calculated annually and allocated to each parish or school. Revenue is recognized monthly, as the performance obligation of delivering administrative and programmatic support is satisfied.

The Diocese recognizes self-insurance revenue from amounts billed to participants in the month in which the related benefit coverage is provided. Benefits are billed once per month based on calculated rates. The performance obligation of providing benefit coverage is simultaneously received and consumed by the participants; therefore, revenue is recognized as it is received.

The Diocese recognizes revenue from student tuition and fees at its high schools during the year in which the performance obligation of delivering educational services is met. Tuition is billed by the high schools in advance of the school year based on approved rates. Financial aid and scholarships provided to students are recorded as a reduction from the posted tuition at the time revenue is recognized. Revenue from fees for enrollment and tuition deposits received in advance prior to services being performed are deferred and recognized in the period to which the fees relate.

The Diocese has no significant opening or closing contract liabilities for the years ended June 30, 2025 and 2024.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Expense Allocation

Expenses directly related to a specific program are charged to that program. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include expenses reported under the staff and operational overhead categories, which are allocated based on estimates of time and effort.

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.

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.

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 securities, money market and mutual funds held by two investment companies and recorded at fair value of \$5,060,019 and \$4,468,881, respectively.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Investment and endowment income (without donor restrictions) consisted of the following for the years ended June 30, 2025 and 2024, respectively:

	June 30, 2025	June 30, 2024
Dividend and interest income, net of fees	\$ 1,119,770	\$1,216,179
Net realized and unrealized gains	-	7,374
Investment and endowment income	<u>\$ 1,119,770</u>	<u>\$1,223,553</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.

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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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 and Other investments: Valued at the actively traded value of shares held at year-end.

The National Catholic Risk Retention Group (TNCRRG) Stock: Valued by the issuer at the TNCRRG fiscal year-end or whenever a shareholder withdraws.

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 Diocese believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value 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:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 4,620,647	\$ -	\$ 4,620,647
Other investments	383,699	-	383,699
National Catholic Risk Retention Stock	-	55,673	55,673
	<u>\$ 5,004,346</u>	<u>\$ 55,673</u>	<u>\$ 5,060,019</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 4,014,957	\$ -	\$ 4,014,957
Other investments	398,251	-	398,251
National Catholic Risk Retention Stock	-	55,673	55,673
	<u>\$ 4,413,208</u>	<u>\$ 55,673</u>	<u>\$ 4,468,881</u>

4. Pension Plans and Other Postretirement Benefits

Pension Plans

The Diocese sponsors two defined benefit pension plans (plans) covering substantially all of its lay employees and its priests, respectively. Certain administrative costs of sponsoring the plans are paid by the Diocese in its role as plan sponsor. As prescribed under Canon law regarding various types of Diocesan expenses, the parishes and other Diocesan organizations whose employees and priests participate in the plans are required to contribute to the plans. The parishes and other participating agencies are billed for their share of annual plan contributions based on a percentage of their annual salaries and wages (5.72% in fiscal year 2024-2025). Contributions are made to the plans based upon actuarially recommended amounts. Monthly benefits from the Lay Employees Plan are based upon years of service and annual earnings while employed with the Diocese. Monthly benefits from the Priests Plan are a fixed monthly amount. These plans are considered to be "church plans" and are therefore exempt from the Employee Retirement Income Security Act of 1974 (ERISA).

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

The following table sets forth the plans' funded status and amounts recognized in the Diocese's financial statements at June 30, 2025:

	<u>Lay Employees</u>	<u>Priests</u>
Actuarial present value of benefit obligations	\$ 28,472,482	\$ 10,018,941
Projected benefit obligation (PBO) for services rendered to date	\$ 28,472,482	\$ 10,018,941
Plan assets at fair value	24,922,109	9,258,763
Accrued pension cost	\$ (3,550,373)	\$ (760,178)

Items not yet recognized as a component of net periodic pension cost:

	<u>Lay Employees</u>	<u>Priests</u>
Prior service cost	\$ -	\$ 661,053
Net loss	4,575,744	974,113
	<u>\$ 4,575,744</u>	<u>\$ 1,635,166</u>

The following table sets forth the plans' funded status and amounts recognized in the Diocese's financial statements at June 30, 2024:

	<u>Lay Employees</u>	<u>Priests</u>
Actuarial present value of benefit obligations	\$ 29,401,740	\$ 10,377,451
Projected benefit obligation (PBO) for services rendered to date	\$ 29,401,740	\$ 10,377,451
Plan assets at fair value	23,836,361	8,755,613
Accrued pension cost	\$ (5,565,379)	\$ (1,621,838)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Items not yet recognized as a component of net periodic pension cost:

	<u>Lay Employees</u>	<u>Priests</u>
Prior service cost	\$ -	\$ 775,550
Net loss	<u>5,767,744</u>	<u>1,504,326</u>
	<u>\$ 5,767,744</u>	<u>\$ 2,279,876</u>

The projected benefit obligations (PBO) decreased by approximately \$930,000 between June 30, 2025 and 2024. The main contributing factor to the change was a result of a decrease in the discount rate. Other changes included a return on assets higher than the actuarial assumption, updates to census data and the passage of time.

Benefits paid during the year ended June 30, 2025 and 2024 for the Lay Employees Plan were \$2,484,855 and \$2,531,033, respectively. Benefits paid during the year ended June 30, 2025 and 2024 for the Priests Plan were \$886,987 and \$859,902, respectively.

The preceding table setting forth the plans' funded status at June 30, 2025 and 2024 give effect to the establishment in February 1997 of separate trusts for the plans. Plan assets are segregated in a trust and cannot be used by the Diocese for other purposes. Plan assets for the Lay Employees Plan include 45% in equity securities, 50% in fixed income investments, and 5% in mutual fund investments and cash equivalents, which reflects the liability hedge as the Diocese moves forward to fully funded status. Plan assets for the Priests Plan at June 30, 2025 include 59% in equity securities, 36% in fixed income investments, and 5% in mutual fund investments and cash equivalents. Plan assets are considered to be Level 1 assets as described in Note 3. No changes have been made in valuation techniques.

To develop the expected long-term rate of return on asset assumptions, the Diocese considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This resulted in the selection of 6.45% and 6.75% for the 2024-2025 fiscal year and 7.20% and 6.80% long-term rates of return on assets assumptions for the Lay and Priest plans for the 2023-2024 fiscal year.

The Diocese employs a conservative investment style for its plan assets. A high priority is placed on preservation of principal; therefore, a diversified, high-quality, low-turnover, long-term, investment strategy is used. The primary objective is a total return exceeding the relevant indices. The fund manager is provided with investment guidelines. These

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

guidelines exclude investments in companies whose products or services are morally or socially inconsistent with the teachings of the Catholic Church.

The target asset allocation for the Priests Plan is fifty-five percent (55.0%) equities, thirty-three percent (33.0%) fixed income, ten percent (10.0%) alternative securities, and two percent (2.0%) cash. The target allocation for the Lay Plan is sixty-five percent (65.0%) equities, twenty-five percent (25.0%) fixed income, and ten percent (10.0%) alternative securities. Investments are to be reasonably diversified by industry and companies within an industry where exposure to any single issuer will not exceed 5.0% of the portfolio market value. Exceptions are made for U.S. Treasuries and Agencies. The fund manager is not permitted to purchase equity securities on margin, sell short, trade commodities futures, or deal in put or call option contracts except as provided for regarding alternative investments, which may be used to reduce, not increase, market risk in the portfolio. Investments are to be made in marketable securities, which therefore excludes private placements and public issues for which the market is severely restricted.

Net Diocesan periodic pension cost included the following components for the year ended June 30, 2025:

	Lay Employees	Priests
Service cost - benefits earned during the year	\$ -	\$ 21,359
Interest cost on projected benefit obligation	1,518,754	536,641
Net amortization and deferral	157,000	157,981
Expected return on assets	(1,456,461)	(560,593)
Net periodic pension cost	<u>\$ 219,293</u>	<u>\$ 155,388</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Net Diocesan periodic pension cost included the following components for the year ended June 30, 2024:

	Lay Employees	Priests
Service cost - benefits earned during the year	\$ -	\$ 22,404
Interest cost on projected benefit obligation	1,581,727	568,310
Net amortization and deferral	215,236	240,547
Expected return on assets	(1,582,133)	(545,054)
Net periodic pension cost	<u>\$ 214,830</u>	<u>\$ 286,207</u>

The Diocese billed other participants approximately \$1,038,000 and \$821,000, for the years ended June 30, 2025 and 2024, respectively.

Actuarial assumptions used in the determination of net periodic pension cost and the projected benefit obligation for the plans were as follows:

	2025	2024
Rate of increase in future compensation levels (Lay Employees Plan only)	N/A	N/A
Weighted-average discount rate	5.4%	5.6%

The following table indicates the benefits expected to be paid in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter in both the Lay Employees and Priests pension plans:

	Lay Employees	Priests
Period from:		
July 1, 2025 to June 30, 2026	\$ 2,575,609	\$ 932,428
July 1, 2026 to June 30, 2027	2,554,440	925,964
July 1, 2027 to June 30, 2028	2,522,683	912,648
July 1, 2028 to June 30, 2029	2,487,292	889,621
July 1, 2029 to June 30, 2030	2,445,496	866,304
Next five years	11,215,551	3,808,677

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Employer contributions paid during the fiscal years ended June 30, 2025 and 2024 for the Lay Employees' pension plan were \$1,042,299 and \$844,751, respectively. Employer contributions paid during the fiscal years ended June 30, 2025 and 2024 for the Priests pension plan were \$372,338 and \$173,091, respectively. There were no participant contributions. Expected contributions to be paid to the Lay Employees and Priests pension plans during the fiscal year ending June 30, 2026 are \$920,000 and \$234,000, respectively.

The measurement date used to determine pension and other postretirement benefit measurements was June 30, 2025.

Defined Contribution Plan

The Diocese offers all of its employees the opportunity to participate in its 403(b) defined contribution plan. The Diocese provides 100% match on first 2% employee contribution; 50% match on next 3% employee contribution, with a maximum of 3.5% match on 5% or greater employee contribution. For the years ended June 30, 2025 and 2024, expenses for this part of the plan were \$238,548 and \$228,576, respectively.

Effective July 1, 2015, the Diocese froze accruals and participation in its Lay Employee Defined Benefit Pension Plan described above. The defined benefit plan was replaced with an enhanced 403(b) plan which is non-elective for the employee. Eligibility requirements to participate in the plan are the same that applied to the defined benefit plan.

The non-contributory payment for employees meeting the eligibility requirements (1,000 hours and two years of service), is based on each employee's "points." Points are calculated by adding an employee's age and their years of service, as of July 1.

<55 points	2% of employee pay
55 – 79 points	4% of employee pay
80+ points	6% of employee pay

For the years ended June 30, 2025 and 2024, expenses for this part of the plan were \$216,200 and \$208,228, respectively.

Other Postretirement Benefits

The Diocese also provides other postretirement benefits to its priests upon their retirement. These benefits include health care coverage and disability benefits. As allowed

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

under accounting principles generally accepted in the United States of America, the Diocese has elected to delay recognition of the initial transition obligation.

The following sets forth the postretirement benefit plan's funded status reconciled with the amounts recognized in the statement of financial position at June 30, 2025 and 2024.

Accumulated postretirement benefit obligations (APBO) at June 30, 2025 and 2024:

	2025	2024
Retirees	\$ (2,598,048)	\$ (2,293,467)
Fully eligible active participants	(978,459)	(971,487)
Other active participants	(784,123)	(654,868)
Benefit obligations	<u>\$ (4,360,630)</u>	<u>\$ (3,919,822)</u>
Unrecognized net (gain) loss	<u>\$ (3,262,528)</u>	<u>\$ (3,142,460)</u>
Total not yet recognized in net periodic benefit cost (credit)	<u>\$ (3,262,528)</u>	<u>\$ (3,142,460)</u>

The discount rates used in determining the Actuarial Present Value of Benefit Obligations (APBO) was 5.60% and 5.62% at June 30, 2025 and 2024, respectively.

Net Diocesan postretirement benefit expense included the following components for the year ended June 30, 2025 and 2024, respectively:

	2025	2024
Service cost	\$ 29,857	\$ 29,853
Interest cost	209,208	197,316
Expected return on plan assets	(934,351)	(886,618)
Net amortization and deferral	(170,127)	(201,809)
Net periodic benefit cost (credit)	<u>\$ (865,413)</u>	<u>\$ (861,258)</u>

The assumed rate of increase in the per capita cost of covered benefits (the health care cost trend rate) for health care plans is 8.57% for 2025 and is assumed to decrease to 4.0% by 2050 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

5. Diocesan Insurance Program

Through its insurance program, the Diocese seeks to minimize its insurance costs through central administration, self-insurance of property and liability claims and placement of insurance coverage. The pro rata share of the cost of coverage through self-insurance and the cost of insurance premiums are billed to parishes and other participating Diocesan organizations. As of June 30, 2025 and 2024, the Diocese has accrued \$890,430 and \$1,823,460, respectively, in claims that were incurred prior to the end of the fiscal year but were not paid. The Diocese is actively defending these claims with their legal counsel, and any potential costs would be paid from the Self-Insurance fund.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

	June 30, 2025	June 30, 2024
	<u> </u>	<u> </u>
Diocesan Lenten Appeal contributions for periods after June 30 (time restricted)	\$ 3,770,973	\$ 3,774,048
High Schools (use restricted)	416,637	419,612
Department of Education (use restricted)	245,703	327,851
Permanent Diaconate Program (use restricted)	94,873	88,267
Diocesan Council of Catholic Women (use restricted)	4,122	4,122
School Safety (use restricted)	-	112,555
Neumann House (use restricted)	36,590	7,853
Diocesan Heritage Center (use restricted)	75,223	65,682
Pro-life (use restricted)	6,284	-
	<u>\$ 4,650,405</u>	<u>\$ 4,799,990</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

7. Net Assets Released from Restrictions

Net assets of \$4,833,447 and \$5,453,115 were released from donor restrictions during the fiscal year ended June 30, 2025 and 2024, respectively, by incurring expenses satisfying the restricted purpose of \$1,059,399 and \$1,790,904, respectively, or the lapsing of a time restriction of \$3,774,048 and \$3,662,211, respectively.

For financial statement purposes, net assets released from restrictions are classified as such in the net assets with donor restrictions section of the statements of activities but are combined with revenues, gains, and other support in the net assets without donor restrictions.

8. Net Assets Without Donor Restrictions

Designated net assets are outlined in the following table:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current Fund:		
Charitable contributions	\$ 206,198	\$ 210,597
Diocesan Poverty Relief Fund	-	97,976
Government school programs	727	2,587
General use of the Diocese	20,227	20,050
Societies of the Diocese	13,843	13,383
Vocations program	7,000	7,000
Fayette Room	12,500	12,500
Faith Formation and Discipleship program	35,702	35,702
Worship and word program	1,942	1,942
	<u>\$ 298,139</u>	<u>\$ 401,737</u>
High Schools:		
Tuition assistance designated	<u>\$ 24,200</u>	<u>\$ 24,200</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

9. Expenses

The Diocese provides administrative services to parishes and schools of the Diocese of Greensburg. Expenses on a functional and natural basis are as follows for the year ended June 30, 2025:

	Program	General and Administrative	Fundraising	Total
Insurance claims and settlements expense	\$ 11,015,876	\$ 163,449	\$ -	\$ 11,179,325
Compensation and benefits	3,065,823	3,099,701	649,115	6,814,639
Evangelization expenses	1,442,322	-	-	1,442,322
Ministry expenses	862,758	-	-	862,758
Office expenses	771,723	774,706	342,853	1,889,282
Occupancy	481,283	8,051	33,637	522,971
Education services:				
Compensation and benefits	5,222,450	-	-	5,222,450
Ops and maintenance	1,036,974	-	-	1,036,974
Tuition assistance	4,869,627	-	-	4,869,627
Other operating costs	1,891,569	-	-	1,891,569
Total education services	<u>13,020,620</u>	<u>-</u>	<u>-</u>	<u>13,020,620</u>
Total	<u>\$ 30,660,405</u>	<u>\$ 4,045,907</u>	<u>\$ 1,025,605</u>	<u>\$ 35,731,917</u>

Expenses on a functional and natural basis are as follows for the year ended June 30, 2024:

	Program	General and Administrative	Fundraising	Total
Insurance claims and settlements expense	\$ 11,796,898	\$ 218,729	\$ -	\$ 12,015,627
Compensation and benefits	3,180,321	2,976,236	473,090	6,629,647
Evangelization expenses	1,539,723	-	-	1,539,723
Ministry expenses	771,775	-	-	771,775
Office expenses	601,107	744,806	323,805	1,669,718
Occupancy	506,667	6,576	27,926	541,169
Education services:				
Compensation and benefits	4,702,035	-	-	4,702,035
Ops and maintenance	953,528	-	-	953,528
Tuition assistance	4,651,220	-	-	4,651,220
Other operating costs	2,027,074	-	-	2,027,074
Total education services	<u>12,333,857</u>	<u>-</u>	<u>-</u>	<u>12,333,857</u>
Total	<u>\$ 30,730,348</u>	<u>\$ 3,946,347</u>	<u>\$ 824,821</u>	<u>\$ 35,501,516</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

10. Liquidity and Availability

The Diocese 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 Diocese prepares very detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

The Diocese is the beneficiary of certain funds owned by the Catholic Foundation. These funds 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 Diocesan 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.

The Diocese receives funding for its operational needs from third parties and the Roman Catholic Diocese of Greensburg charitable trust (the "Trust"). Those amounts are typically sufficient to fund the operational needs of the Diocese.

On an annual basis the Trust distributes 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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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:

	2025	2024
Total assets, at year-end	\$ 11,328,405	\$ 10,566,369
Parish receivables in arrears	(930,310)	(994,835)
Funds held on behalf of others	(349,970)	(284,896)
Prepays and other assets	(173,321)	(105,097)
Receivables not expected in one year	(101,867)	(104,782)
Board-designated net assets	(322,339)	(425,937)
Net assets restricted by donor with purpose restrictions	(879,432)	(1,025,942)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,571,166</u>	<u>\$ 7,624,880</u>

11. Commitments and Contingencies

The Diocese announced a Comprehensive Reconciliation Initiative (Initiative) in February 2019 to help survivors of clergy sexual abuse. The Initiative included a Survivors' Compensation Program (Program), an opportunity for survivors to have personal interaction with an objective program administrator, as well as counseling, spiritual guidance, and pastoral care for anyone impacted by clergy abuse in the Diocese. The Program was administered by Commonwealth Mediation and Conciliation, Inc. (CMCI) of Boston, a private dispute resolution firm experienced in mediation and arbitration services. Claims were submitted directly to CMCI, which administered them by conducting in-person meetings with claimants. Although the Program has since closed, the Initiative is continuing and ongoing. As of June 30, 2025, the Initiative has resulted in settlements with 84 survivors totaling \$8,218,218, with other catholic institutions contributing \$676,067 toward those settlements, and insurance reimbursement in the amount of \$750,000 from The National Catholic Risk Retention Group, which is the Diocese's excess liability insurance carrier. The balance of the settlements have been funded by the Self-Insurance Fund (57%), Plant Fund (7%), and Current Fund (36%). The Diocese has also incurred \$26,075 in counseling fees and \$204,062 in fees paid to CMCI to administer the Program.

Management is aware that there could be potential legislation brought forward by the Commonwealth of Pennsylvania in 2025-2026 to change the Statute of Limitations for

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

claims of child sexual abuse. At this time, the Diocese is unable to determine the ultimate outcome of potential future actions in connection with this possible change in the law. No material amounts have been recorded for settlement of these matters, as the potential financial impact on the Diocese is not presently determinable. However, it is possible that the ultimate resolution of these matters could have a material adverse impact on the Diocese's results of operations, liquidity and financial position. In addition, it is possible that the ultimate number of actions against the Diocese could increase from those presently known.

The Diocese is a named defendant in a class action lawsuit, captioned *O'Connor v Roman Catholic Diocese of Pittsburgh, et al.*, GD-18-011983, currently pending in the Court of Common Pleas of Allegheny County. Plaintiffs' class action lawsuit asserts claims for public nuisance and mandamus, and seeks only declaratory and injunctive relief (not monetary damages). Specifically, plaintiffs' class action lawsuit seeks the production of all of the records produced by the Diocese to the 40th Statewide Investigative Grand Jury, which resulted in the 2018 Grand Jury Report. Plaintiffs' original complaint was dismissed for lack of standing as to the Diocese. Plaintiffs recently filed a third amended complaint, naming a Greensburg-specific plaintiff. The Diocese has again moved to dismiss plaintiffs' complaint for lack of standing and for failure to state a claim of either public nuisance or mandamus against the Diocese. That motion remains pending before the Court.

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.

SUPPLEMENTARY INFORMATION

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND REVENUES AND OTHER SUPPORT - WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Diocesan Billings and Assessments:		
Diocesan assessment	\$ 3,026,418	\$ 2,947,446
Accent assessment	539,823	549,852
Education and Spiritual Formation	77,035	80,091
Total Diocesan billings and assessments	3,643,276	3,577,389
Contributions/Grants:		
Diocesan Lenten Appeal	3,779,860	3,778,675
Seminarian and clergy formation collection	343,106	372,899
Donations and bequests	17,193	59,800
Lay ministry education programs	384,176	404,258
Total contributions/grants	4,524,335	4,615,632
Investment and Endowment Income:		
Current Fund investments	430,305	445,298
Endowment Fund income for education of priests and lay ministers	374,657	390,506
Endowment Fund income for evangelization and faith formation	254,491	310,853
Total investment and endowment income	1,059,453	1,146,657
Auxiliary Services:		
Income derived from utilization of the Christ Our Shepherd Center	674,851	659,147
Other Revenues:		
Hospital ministry	578,033	580,838
Management fees	478,378	401,187
Government programs	501,334	593,992
Neumann House residence fees	187,845	164,080
Advertising and subscription revenues	194,913	203,239
Dispensations	1,230	950
Communication media collection	24,042	7,562
Other	851,837	810,728
Rents and royalties	-	214
Total other revenues	2,817,612	2,762,790
Other Diocesan Programs:		
Retained portion of external collections	39,621	47,361
Diocesan Poverty Relief Fund	-	50,999
Total other Diocesan programs	39,621	98,360
Total Current Fund Revenues and Other Support - Without Donor Restrictions	\$ 12,759,148	\$ 12,859,975

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Education:		
Education and Spiritual Formation	\$ 1,540,710	\$ 1,220,752
Secondary education contribution to education, discipleship and formation fund	475,000	475,000
Elementary education contribution to education, discipleship and formation fund	145,000	145,000
Government programs	603,750	822,672
Total education	2,764,460	2,663,424
Auxiliary Services:		
Operation and maintenance of the Christ Our Shepherd Center	768,850	796,463
Pastoral:		
Hospital ministries	610,023	546,621
Retired, sick, and unassigned priests	267,370	311,868
General diocesan administration	558,881	549,518
Matrimonial office	190,030	180,861
Special events	111,869	132,333
Operations - Neumann House	394,793	378,167
Diocesan Heritage Center / archives	25,315	26,724
Future parish sites maintenance	10,539	6,978
Cursillo movement/charismatic renewal	4,623	19,714
Diocesan cemeteries office	(205)	1,085
Lay pension	35,473	34,065
Total pastoral	2,208,711	2,187,934
Social Services:		
Catholic Charities subsidy	378,250	378,250
Diocesan Council of Catholic Women	5,950	7,023
Total social services	384,200	385,273

(Continued)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2025 AND 2024
(Continued)

	2025	2024
Diocesan Administrative Offices:		
Communications office	1,442,322	1,539,723
Information technology office	1,228,041	1,208,283
Finance office	1,075,008	891,947
Development office	913,736	692,488
Bishop's office	306,893	258,498
Bishops' residence	149,472	136,051
Engineering and Facilities Management office	226,122	237,830
Vicar General's office	169,255	162,346
Permanent Diaconate office	70,296	39,970
Human Resources office	139,415	130,695
Services and Facilities office	5,572	4,656
Retired Bishop's office and residence	141,405	133,045
Total Diocesan administrative offices	5,867,537	5,435,532
Religious Personnel Development:		
Vocation program office	390,652	682,075
International priests program	283,555	240,215
Total religious personnel development	674,207	922,290
Other Diocesan Programs:		
Donations	110,996	57,985
Total Current Fund Expenses and Losses - Without Donor Restrictions	\$ 12,778,961	\$ 12,448,901

(Concluded)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN HIGH SCHOOLS ASSETS, LIABILITIES, AND NET ASSETS

JUNE 30, 2025 AND 2024

	2025			2024		
	Greensburg Central Catholic	Geibel Catholic	Total	Greensburg Central Catholic	Geibel Catholic	Total
	Assets					
Temporary investments and deposits	\$ 200,548	\$ 183,151	\$ 383,699	\$ 225,661	\$ 172,590	\$ 398,251
Student activity accounts	280,220	64,364	344,584	328,721	60,331	389,052
Tuition receivable	142,492	205,251	347,743	146,122	219,726	365,848
Less: allowance for doubtful accounts	(121,647)	(158,911)	(280,558)	(118,216)	(142,850)	(261,066)
Other receivables	34,682	-	34,682	36,705	-	36,705
Due from other funds	-	104,044	104,044	457,514	33,363	490,877
Total Assets	\$ 536,295	\$ 397,899	\$ 934,194	\$ 1,076,507	\$ 343,160	\$ 1,419,667
Liabilities and Net Assets						
Liabilities:						
Funds held in escrow for others	\$ 280,220	\$ 64,364	\$ 344,584	\$ 328,721	\$ 60,331	\$ 389,052
Accrued expenses	97,129	26,765	123,894	91,959	24,917	116,876
Due to other funds	25,201	-	25,201	-	-	-
Total Liabilities	402,550	91,129	493,679	420,680	85,248	505,928
Net Assets:						
Without Donor Restrictions:						
Undesignated	(108,283)	107,961	(322)	391,072	78,855	469,927
Designated	-	24,200	24,200	-	24,200	24,200
Total Without Donor Restrictions	(108,283)	132,161	23,878	391,072	103,055	494,127
With Donor Restrictions	242,028	174,609	416,637	264,755	154,857	419,612
Total Net Assets	133,745	306,770	440,515	655,827	257,912	913,739
Total Liabilities and Net Assets	\$ 536,295	\$ 397,899	\$ 934,194	\$ 1,076,507	\$ 343,160	\$ 1,419,667

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN HIGH SCHOOLS REVENUES AND EXPENSES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Greensburg Central Catholic	Geibel Catholic	Combined	Greensburg Central Catholic	Geibel Catholic	Combined
	Revenues:					
Tuition	\$ 1,807,752	\$ 532,048	\$ 2,339,800	\$ 1,908,727	\$ 415,575	\$ 2,324,302
Parish subsidy	896,409	527,591	1,424,000	872,409	521,591	1,394,000
Diocesan subsidy	259,706	247,850	507,556	259,706	247,850	507,556
Athletic income	65,225	24,507	89,732	57,675	17,799	75,474
Development and other	1,339,407	1,063,343	2,402,750	1,692,755	1,106,327	2,799,082
Total revenues	4,368,499	2,395,339	6,763,838	4,791,272	2,309,142	7,100,414
Expenses:						
Instruction	2,315,154	1,059,483	3,374,637	2,198,325	1,021,788	3,220,113
Operation and maintenance	672,268	364,706	1,036,974	636,277	317,251	953,528
Student body activities	484,346	133,308	617,654	468,629	139,534	608,163
Administrative	1,018,825	439,858	1,458,683	941,060	405,349	1,346,409
Transportation service	198,680	123,840	322,520	196,525	121,100	317,625
Cafeteria	-	94,271	94,271	-	105,765	105,765
Other	111,533	-	111,533	81,146	1,246	82,392
Total expenses	4,800,806	2,215,466	7,016,272	4,521,962	2,112,033	6,633,995
Other Changes in Net Assets Without Donor Restrictions:						
Transfers to the Trust	(67,048)	(150,767)	(217,815)	(146,886)	(184,336)	(331,222)
Total other changes in net assets without donor restrictions	(67,048)	(150,767)	(217,815)	(146,886)	(184,336)	(331,222)
Change in Net Assets Without Donor Restrictions	(499,355)	29,106	(470,249)	122,424	12,773	135,197
Net Assets With Donor Restrictions:						
Grants/contributions	64,866	46,625	111,491	79,526	143,275	222,801
Net assets released from restrictions	(87,593)	(26,873)	(114,466)	(33,408)	(174,455)	(207,863)
Change in Net Assets With Donor Restrictions	(22,727)	19,752	(2,975)	46,118	(31,180)	14,938
Change in Net Assets	(522,082)	48,858	(473,224)	168,542	(18,407)	150,135
Net Assets (Deficits):						
Beginning of year	655,827	257,912	913,739	487,285	276,319	763,604
End of year	\$ 133,745	\$ 306,770	\$ 440,515	\$ 655,827	\$ 257,912	\$ 913,739

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN AGENCY FUNDS ASSETS, LIABILITIES, AND NET ASSETS

JUNE 30, 2025 AND 2024

Assets	2025			2024		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Cash and cash equivalents	\$ 28,238	\$ -	\$ 28,238	\$ 3,497	\$ -	\$ 3,497
Due from other funds	-	43,137	43,137	-	5,133	5,133
Total Assets	\$ 28,238	\$ 43,137	\$ 71,375	\$ 3,497	\$ 5,133	\$ 8,630
Liabilities and Net Assets						
Liabilities:						
Funds held in escrow for others	\$ 42,740	\$ 43,137	\$ 85,877	\$ 17,932	\$ 5,133	\$ 23,065
Due to other funds	100,898	-	100,898	175,661	-	175,661
Total Liabilities	143,638	43,137	186,775	193,593	5,133	198,726
Net Assets:						
Without donor restrictions - undesignated	(115,400)	-	(115,400)	(190,096)	-	(190,096)
Total Net Assets	(115,400)	-	(115,400)	(190,096)	-	(190,096)
Total Liabilities and Net Assets	\$ 28,238	\$ 43,137	\$ 71,375	\$ 3,497	\$ 5,133	\$ 8,630

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN AGENCY FUNDS REVENUES AND EXPENSES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Revenues:						
Investment and endowment income	\$ 5,100	\$ -	\$ 5,100	\$ 6,856	\$ -	\$ 6,856
Other revenues	92,460	-	92,460	90,542	-	90,542
Total revenues	97,560	-	97,560	97,398	-	97,398
Expenses:						
Pastoral	11,507	-	11,507	10,016	-	10,016
Diocesan administrative offices	93,367	-	93,367	98,819	-	98,819
Total expenses	104,874	-	104,874	108,835	-	108,835
Change in Net Assets Without Donor Restrictions						
	(7,314)	-	(7,314)	(11,437)	-	(11,437)
Other Changes in Net Assets Without Donor Restrictions:						
Transfer from other diocesan entities	82,010	-	82,010	-	-	-
Transfer to other diocesan entities	-	-	-	(82,010)	-	(82,010)
Change in Net Assets Without Donor Restrictions						
	82,010	-	82,010	(82,010)	-	(82,010)
Change in Net Assets						
	74,696	-	74,696	(93,447)	-	(93,447)
Net Assets:						
Beginning of year	(190,096)	-	(190,096)	(96,649)	-	(96,649)
End of year	\$ (115,400)	\$ -	\$ (115,400)	\$ (190,096)	\$ -	\$ (190,096)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

CUSTODIAN FUND SCHEDULES OF ADDITIONS AND DEDUCTIONS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Additions:		
Diocesan Lenten Appeal	\$ 6,841,264	\$ 6,320,833
Children and family services	123,990	116,454
Support for retired priests and religious	88,703	88,927
Seminarian and clergy formation	361,164	392,526
Diocesan Poverty Relief Fund	61,776	63,385
Peter's pence	47,202	42,250
Holy Land	56,954	63,990
Disaster relief	100	-
Communications media	34,036	27,376
Catholic University and education	39,779	39,415
Polish Relief	769	891
Archdiocese for Military Services	877	2,757
Benedictine Annual Appeal	31,162	33,034
Relief for Ukraine	-	50
	<u>7,687,776</u>	<u>7,191,888</u>
Total additions		
Deductions:		
Contribution income for Current Fund	4,101,172	4,192,835
Diocesan Lenten Appeal payments to parishes	3,082,011	2,499,745
Contribution income for Catholic Charities	117,790	110,632
Support for retired priests and religious	85,663	83,558
Holy Land	54,339	57,819
Peter's pence	46,017	41,098
External collections transferred to Current Fund - designated	39,583	47,361
Disaster relief	100	-
Diocesan Poverty Relief Fund	59,453	60,860
Catholic University and education	37,622	37,583
Communications media	32,771	25,362
Poland special collection	769	847
Benedictine Annual Appeal	29,609	31,381
Archdiocese for Military Services	877	2,757
Relief for Ukraine	-	50
	<u>7,687,776</u>	<u>7,191,888</u>
Total deductions		
Change in Net Assets	-	-
Net Assets:		
Beginning of year	-	-
End of year	\$ -	\$ -