

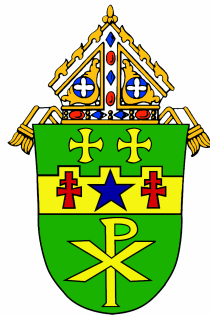
The Diocese of Greensburg, Pennsylvania

Financial Statements and Supplementary Information

Years Ended June 30, 2021 and 2020

with

Independent Auditor's Report



MaherDuessel

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THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2021 AND 2020

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Diocese of Greensburg, Pennsylvania (Diocese), which comprise the statements of financial position as of June 30,

2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, 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.

Emphasis of Matter

The accompanying financial statements were prepared to present the financial position, results of operations, and cash flows of certain activities of the Diocese in accordance with accounting principles generally accepted in the United States of America. As indicated in Note 1, there are other activities, programs, and agencies of the Diocese not included in these financial statements. The auditor's opinion is not modified with respect to the matter emphasized.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 35 through 42 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
October 26, 2021

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

Assets	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Capital and Endowment Campaign Fund	Agency Fund	Elimination	Totals	
										2021	2020
Cash and cash equivalents	\$ 110,209	\$ 302,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,907	\$ 499,019
Investments:											
Temporary investments and deposits	6,994,686	342,888	2,769,575	-	-	1,089,669	-	249,826	-	11,446,644	11,091,295
Temporary investments held for others	1,012,343	-	-	-	-	-	-	-	-	1,012,343	740,746
Other investments	55,673	-	-	-	-	-	-	-	-	55,673	55,673
Total investments	<u>8,062,702</u>	<u>342,888</u>	<u>2,769,575</u>	<u>-</u>	<u>-</u>	<u>1,089,669</u>	<u>-</u>	<u>249,826</u>	<u>-</u>	<u>12,514,660</u>	<u>11,887,714</u>
Receivables:											
Parishes and schools	2,429,883	-	-	1,570,474	3,410,657	-	-	-	-	7,411,014	8,243,348
Ordained priests	247,873	-	-	-	-	-	-	-	-	247,873	308,443
Other	149,540	346,168	27,279	-	-	344,480	-	-	(62,172)	805,295	820,096
Less: allowance for doubtful accounts	<u>(1,088,414)</u>	<u>(228,101)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,316,515)</u>	<u>(1,324,021)</u>
Total receivables, net	<u>1,738,882</u>	<u>118,067</u>	<u>27,279</u>	<u>1,570,474</u>	<u>3,410,657</u>	<u>344,480</u>	<u>-</u>	<u>-</u>	<u>(62,172)</u>	<u>7,147,667</u>	<u>8,047,866</u>
Prepaid and other assets	194,415	-	-	-	-	-	-	-	-	194,415	144,392
Due from other funds	311,975	377,686	-	272,352	79,387	42,239	-	102,607	-	1,186,246	1,535,521
Due from other Diocesan entities	94,724	-	-	-	-	-	-	-	-	94,724	67,297
Assets designated for OPEB - priests	-	-	-	12,673,784	-	-	-	-	-	12,673,784	10,002,406
Fixed assets:											
Construction in progress	-	-	-	-	-	47,334	-	-	-	47,334	47,334
Buildings	-	-	-	-	-	9,223,857	-	-	-	9,223,857	9,223,857
Furniture and equipment	-	149,471	-	-	-	9,507,336	-	-	-	9,656,807	9,581,036
Land	-	-	-	-	-	710,789	-	-	-	710,789	710,789
Building improvements	-	-	-	-	-	24,627,957	-	-	-	24,627,957	24,058,137
Fixed assets - gross	<u>-</u>	<u>149,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,117,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,266,744</u>	<u>43,621,153</u>
Less: accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,584,783)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,584,783)</u>	<u>(27,916,620)</u>
Fixed assets - net	<u>-</u>	<u>149,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,532,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,681,961</u>	<u>15,704,533</u>
Total Assets	<u><u>\$ 10,512,907</u></u>	<u><u>\$ 1,290,810</u></u>	<u><u>\$ 2,796,854</u></u>	<u><u>\$ 14,516,610</u></u>	<u><u>\$ 3,490,044</u></u>	<u><u>\$ 17,008,878</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 352,433</u></u>	<u><u>\$ (62,172)</u></u>	<u><u>\$ 49,906,364</u></u>	<u><u>\$ 47,888,748</u></u>

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

(Continued)

JUNE 30, 2021 AND 2020

<u>Liabilities and Net Assets (Deficits)</u>	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Capital and Endowment Campaign Fund	Agency Fund	Elimination	Totals	
										2021	2020
<u>Liabilities:</u>											
Accounts payable	\$ 823,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 823,805	\$ 960,518
Accrued expenses	484,999	202,682	2,133,848	-	-	-	-	-	-	2,821,529	2,154,289
Loans payable	-	515,659	-	-	-	704,713	-	-	-	1,220,372	1,468,299
Bonds payable	-	-	-	-	3,375,000	-	-	-	-	3,375,000	3,610,000
<u>Agency and trust accounts:</u>											
Funds held in escrow for others	1,012,343	302,698	-	-	-	-	-	242,614	(62,172)	1,495,483	1,179,182
Total agency and trust accounts	1,012,343	302,698	-	-	-	-	-	242,614	(62,172)	1,495,483	1,179,182
Deferred revenue	157,031	-	-	3,711,986	-	-	-	-	-	3,869,017	3,374,748
Refundable advance	-	-	-	-	-	-	-	-	-	-	1,692,100
Accrued pension - lay plan	-	-	-	13,866,177	-	-	-	-	-	13,866,177	22,886,279
Accrued pension - priests	-	-	-	4,079,924	-	-	-	-	-	4,079,924	5,365,599
Accrued OPEB - priests	-	-	-	4,691,929	-	-	-	-	-	4,691,929	4,853,915
Due to other funds	870,904	125,796	147,377	-	-	-	-	42,169	-	1,186,246	1,535,521
Due to other Diocesan entities	292,677	-	-	-	-	-	-	-	-	292,677	390,562
Total Liabilities	3,641,759	1,146,835	2,281,225	26,350,016	3,375,000	704,713	-	284,783	(62,172)	37,722,159	49,471,012
<u>Net Assets (Deficits):</u>											
<u>Without donor restrictions:</u>											
Undesignated	2,830,681	(266,289)	-	(11,833,406)	115,044	656,277	-	-	-	(8,497,693)	(23,227,917)
Designated	329,777	23,412	515,629	-	-	15,571,953	-	67,650	-	16,508,421	17,699,280
Total without donor restrictions	3,160,458	(242,877)	515,629	(11,833,406)	115,044	16,228,230	-	67,650	-	8,010,728	(5,528,637)
<u>With donor restrictions</u>											
	3,710,690	386,852	-	-	-	75,935	-	-	-	4,173,477	3,946,373
Total Net Assets (Deficits)	6,871,148	143,975	515,629	(11,833,406)	115,044	16,304,165	-	67,650	-	12,184,205	(1,582,264)
Total Liabilities and Net Assets (Deficits)	\$ 10,512,907	\$ 1,290,810	\$ 2,796,854	\$ 14,516,610	\$ 3,490,044	\$ 17,008,878	\$ -	\$ 352,433	\$ (62,172)	\$ 49,906,364	\$ 47,888,748

(Concluded)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2021 AND 2020

	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Capital and Endowment Campaign Fund	Agency Fund	Eliminations	Totals	
										2021	2020
Net Assets Without Donor Restrictions:											
Revenues, gains, and other support:											
Diocesan billings and assessments	\$ 3,263,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,263,042	\$ 3,301,943
Contributions/grants	4,926,535	-	-	-	-	57,350	-	-	-	4,983,885	3,818,385
Investment and endowment income	1,019,746	-	202,972	-	106,979	329,900	-	17,715	-	1,677,312	1,402,095
Auxiliary services	857,535	-	-	-	-	-	-	-	-	857,535	967,410
Other revenues	1,768,073	-	-	-	21,000	28,773	-	83,063	-	1,900,909	1,813,166
Diocesan high schools	-	6,799,712	-	-	-	-	-	-	(475,000)	6,324,712	5,447,461
Tuition assistance	-	5,159,852	-	-	-	-	-	-	(620,000)	4,539,852	4,339,138
Diocesan self-insurance program	-	-	9,832,742	-	-	-	-	-	-	9,832,742	9,531,986
Gain (loss) on sale of fixed assets	-	-	-	-	-	1,800	-	-	-	1,800	(3,804)
Retained portion of external collections	30,025	-	-	-	-	-	-	-	-	30,025	35,803
Catholic campaign for human development	46,322	-	-	-	-	-	-	-	-	46,322	43,239
Total revenues, gains, and other support	11,911,278	11,959,564	10,035,714	-	127,979	417,823	-	100,778	(1,095,000)	33,458,136	30,696,822
Expenses and losses:											
Education	1,890,157	-	-	-	-	-	-	-	(620,000)	1,270,157	1,548,604
High school operations	-	5,870,440	-	-	-	-	-	-	-	5,870,440	5,560,939
Tuition assistance	-	4,556,891	-	-	-	-	-	-	(475,000)	4,081,891	4,245,183
Auxiliary services	719,009	-	-	-	-	-	-	-	-	719,009	966,859
Pastoral	2,024,692	-	-	-	-	-	-	6,025	-	2,030,717	1,947,764
Social services	395,815	-	-	-	-	-	-	-	-	395,815	393,875
Diocesan administrative offices	4,077,837	309,682	-	-	32,237	-	-	108,955	-	4,528,711	4,511,898
Interest expense	-	-	-	-	62,510	19,431	-	-	-	81,941	118,613
Depreciation expense	-	74,736	-	-	-	681,157	-	-	-	755,893	1,302,302
Religious personnel development	468,378	-	-	-	-	-	-	-	-	468,378	516,504
Self-insurance program	-	-	11,131,553	-	-	-	-	-	-	11,131,553	9,354,325
Victim's Comprehensive Reconciliation Initiative	-	-	578,302	-	-	-	-	-	-	578,302	1,576,594
Donations/capital campaign distributions	51,807	-	-	-	-	9,890	-	-	-	61,697	137,002
Total expenses and losses	9,627,695	10,811,749	11,709,855	-	94,747	710,478	-	114,980	(1,095,000)	31,974,504	32,180,462
Excess (Deficiency) of Revenues, Gains, and Other Support Over Expenses and Losses Before Other Changes	2,283,583	1,147,815	(1,674,141)	-	33,232	(292,655)	-	(14,202)	-	1,483,632	(1,483,640)

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

(Continued)

YEARS ENDED JUNE 30, 2021 AND 2020

	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Capital and Endowment Campaign Fund	Agency Fund	Eliminations	Totals	
										2021	2020
Other changes:											
Actuarial gain (loss) on pension and postretirement benefit plans	-	-	-	12,030,733	-	-	-	-	-	12,030,733	(5,164,266)
Transfer from other funds	-	-	443,086	-	-	615,229	45,784	-	-	1,104,099	1,620,329
Transfer from other Diocesan entities	-	-	-	-	-	25,000	-	-	-	25,000	25,000
Transfer to other funds	(911,026)	(193,073)	-	-	-	-	-	-	-	(1,104,099)	(1,620,329)
Total other changes	(911,026)	(193,073)	443,086	12,030,733	-	640,229	45,784	-	-	12,055,733	(5,139,266)
Change in Net Assets Without Donor Restrictions	1,372,557	954,742	(1,231,055)	12,030,733	33,232	347,574	45,784	(14,202)	-	13,539,365	(6,622,906)
Net Assets with Donor Restrictions:											
Grants/contributions	3,758,017	143,774	-	-	-	100,000	-	-	-	4,001,791	3,793,292
Net assets released from restrictions	(3,606,774)	(110,563)	-	-	-	(57,350)	-	-	-	(3,774,687)	(3,761,425)
Change in Net Assets with Donor Restrictions	151,243	33,211	-	-	-	42,650	-	-	-	227,104	31,867
Change in Net Assets	1,523,800	987,953	(1,231,055)	12,030,733	33,232	390,224	45,784	(14,202)	-	13,766,469	(6,591,039)
Net Assets (Deficits):											
Beginning of year	5,347,348	(843,978)	1,746,684	(23,864,139)	81,812	15,913,941	(45,784)	81,852	-	(1,582,264)	5,008,775
End of year	<u>\$ 6,871,148</u>	<u>\$ 143,975</u>	<u>\$ 515,629</u>	<u>\$ (11,833,406)</u>	<u>\$ 115,044</u>	<u>\$ 16,304,165</u>	<u>\$ -</u>	<u>\$ 67,650</u>	<u>\$ -</u>	<u>\$ 12,184,205</u>	<u>\$ (1,582,264)</u>

(Concluded)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 13,766,469	\$ (6,591,039)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	755,893	1,302,302
Loss (gain) on disposal of assets	(1,800)	3,804
Net realized/unrealized gains	(427,318)	(231,840)
Changes in operating assets and liabilities:		
Receivables	900,199	558,482
Accounts payable	(136,713)	(66,915)
Accrued expenses	667,240	(3,521,948)
Agency and trust accounts	316,301	(2,139)
Deferred revenue	494,269	401,356
Refundable advance	(1,692,100)	1,692,100
Prepaid and other assets	(50,023)	75,826
Due to/from other Diocesan entities	(125,312)	(160,142)
Accrued postretirement benefits	(161,986)	(1,960,905)
Accrued pensions	(10,305,777)	6,421,041
Net cash provided by (used in) operating activities	3,999,342	(2,080,017)
Cash Flows From Investing Activities:		
Purchase of investments	(7,017,679)	(10,455,715)
Sale of investments	4,146,673	13,762,072
Purchase of fixed assets	(733,321)	(772,491)
Proceeds from sale of fixed assets	1,800	2,151
Net cash provided by (used in) investing activities	(3,602,527)	2,536,017
Cash Flows From Financing Activities:		
Proceeds of loans payable	-	103,034
Payments on loans payable	(247,927)	(251,884)
Payments on bonds payable	(235,000)	(230,000)
Net cash provided by (used in) financing activities	(482,927)	(378,850)
Net Increase (Decrease) in Cash and Cash Equivalents	(86,112)	77,150
Cash and Cash Equivalents:		
Beginning of year	499,019	421,869
End of year	\$ 412,907	\$ 499,019
Supplemental Information:		
Cash paid for interest	\$ 81,941	\$ 118,613

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies

Reporting Entity

The Diocese of Greensburg, Pennsylvania (Diocese) was established on March 10, 1951 by the formal canonical declaration issued by Pope Pius XII, Roman Pontiff. The Diocese operates under a separate Roman Catholic Diocese of Greensburg Declaration of Trust (Trust) dated March 1, 2008 and provides services to Catholic parishes, Catholic schools, and certain other Catholic institutions in Westmoreland, Armstrong, Indiana, and Fayette Counties under the leadership of the Bishop. The Most Reverend Larry J. Kulick, JCL, Bishop of the Diocese of Greensburg, is the successor trustee of the Diocese and individually responsible for the teaching, sanctification, and governance of the Diocese. The Trust is separate from the Diocese.

The following activities are included in the accompanying financial statements:

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/Tuition Assistance Fund – 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. It also accounts for the financial transactions for providing tuition assistance to the high schools as well as the elementary schools in the Diocese. Grants to the elementary schools for capital projects are also accounted for in this fund. 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. The TOP student initiative was founded by an anonymous donor from the local business community who received Catholic education and was profoundly influenced by Saint Pope John Paul II. The \$2.4 million commitment provides 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. Of this amount, support of \$435,804 and \$292,500 was recognized in the year ended June 30, 2021 related to Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School, respectively.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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

Pension Accounting Fund – This fund accounts for pension accounting transactions for lay employee and priest pension plans, as well as post-retirement benefits for priests. Net assets are without donor restrictions. 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.

Parish Bond Fund – This fund accounts for financial transactions for the bonds issued to fund a capital project for an elementary school. Net assets are without donor restrictions.

Plant Fund – This fund accounts for investments, real estate, buildings, and equipment used in Diocesan operations. Capital expenditures and transfers to and from the Plant Fund are recorded as other changes in net assets without donor restrictions.

Capital and Endowment Campaign Fund – This fund accounts for the funds raised as part of the “Today’s Challenge ~ Tomorrow’s Hope” Capital and Endowment Campaign. The campaign provided much needed support for parishes, evangelization and faith formation, catholic schools, ordained ministry, care for retired priests, lay ecclesial ministry, Catholic Charities, and Diocesan infrastructure. The campaign has been concluded.

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.

Separate financial statements are prepared and audited for the Catholic Institute, Catholic Charities, The Catholic Foundation, and Scholarship Partners Foundation. The financial operations of individual parishes and institutions distinct from the Diocese are not reflected in this report.

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. Accordingly, revenues are recorded when earned and expenses are recognized

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

when the liabilities are incurred. Any revenues received during the year which have not yet been earned are recorded as deferred revenue.

Resources are classified for accounting and reporting purposes into classes of net assets based on the existence of donor or grantor-imposed restrictions. The Diocese reports gifts of cash and other assets 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.”

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 years, the Diocese had cash balances in excess of the federally insured limits for the years ended June 30, 2021 and 2020, respectively. The deposits were held at various financial institutions.

Receivables

In 1999, a receivable was recorded in the Plant Fund to account for a charitable remainder trust for the Diocese. As of June 30, 2021 and 2020, the amount of this receivable was \$342,666 and \$266,802, respectively. These amounts are recorded as part of other receivables. The fair value of the trust was \$342,666 and \$266,802 at June 30, 2021 and 2020, respectively. Once income from the trust is available, required distributions must be made. The income from the trust, up to one million dollars, will be used for the general needs of the Diocese. Any income in excess of one million dollars will require that 25% be designated for the Plant Fund.

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The Current Fund has established an allowance for doubtful accounts that includes an amount for all parishes and schools in arrears on their monthly billing.

A receivable and corresponding allowance for doubtful student accounts is recorded in the High Schools/Tuition Assistance fund related to tuition accounts from past school years.

Fixed Assets

Land, buildings, and equipment, including related improvements, are stated at cost. Real estate acquired by gift is stated at the 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.

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. As of June 30, 2021 and 2020, the Diocese has recorded refundable advances totaling \$0 and \$1,692,100, respectively. The refundable advance recorded as of June 30, 2020 related to its Small Business Administration loan that was received in April 2020 through the federal government's Paycheck Protection Program (PPP) and the loan was allocated as follows: \$1,083,641 to the Current Fund, \$433,670 to Greensburg Central Catholic Junior-Senior High School, and \$174,789 to Geibel Catholic Junior-Senior High School. The loan was fully forgiven during the year ended June 30, 2021 and is reflected as "Contributions/grants" on the Statements of Activities for the Current Fund and in "Diocesan High Schools" for the high school portion.

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. The performance obligation of providing benefit coverage is simultaneously

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received and consumed by the participants; therefore, the 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. 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.

There were no revenue processes not completed at the date of the initial application of the Financial Accounting Standards Board Accounting Standards Codification Topic 606, *“Revenue from Contracts with Customers.”* There have been no significant judgements related to the amount or timing of revenue from these transactions, and there are no impairment losses to recognize.

Deferred Revenue

Deferred revenue in the pension accounting fund consists primarily of reimbursements received in advance for the employee benefit plans.

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.

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Adopted Accounting Standards

The provisions of these Standard Updates have been adopted and incorporated into these financial statements.

The Financial Accounting Standards Board (FASB) issued a statement that became effective for fiscal year ended June 30, 2021, ASU 2018-13, *“Changes to the Disclosure Requirements for Fair Value Measurement.”* This statement has been adopted and is reflected in Note 3. Implementation of these amendments had no significant impact on the financial statements.

FASB Accounting Standards Codification Topic 606, *“Revenue from Contracts with Customers,”* as amended, provides guidance for revenue recognition related to contracts involving the transfer of promised goods or services to customers and the related disclosures. The implementation of these amendments was applied retrospectively to all periods presented, with no effect on net assets. Implementation resulted in financial statement disclosure modifications only.

Pending Accounting Standards Updates

The Financial Accounting Standards Board has issued updates that will become effective in future years, including ASU 2016-13 (Credit Losses), and ASU 2018-14 (Compensation – Retirement Benefits – Defined Benefit Plans (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans). Management has not yet determined the impact of these updates on 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, the Diocese carries its debt and equity investments at fair value. Investments of the Diocese at June 30, 2021 and 2020 consisted primarily of fixed income and equity securities, money market and mutual funds held by two investment companies and recorded at fair value of \$12,514,660 and \$11,887,714, respectively.

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

	June 30, 2021	June 30, 2020
Dividend and interest income	\$ 1,249,994	\$ 1,170,255
Net realized and unrealized gains	427,318	231,840
Investment and endowment income	<u>\$ 1,677,312</u>	<u>\$ 1,402,095</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.

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

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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, 2021 or 2020.

Mutual Funds, Fixed Income Securities, Equities and Other investments: Valued at the actively traded value of shares held by the Diocese at year-end.

Catholic Benefits Trust investment: Valued at the fair market value of the cash equivalent balance on hand at year-end with the Catholic Benefits Trust.

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

Parish bond receivable: Valued at the original bond amount less any payments received.

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.

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The following tables set forth by level, within the fair value hierarchy, the Diocese's assets at fair value as of June 30, 2021 and 2020:

Assets at Fair Value as of June 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government agency bonds	\$ 1,216,619	\$ -	\$ -	\$ 1,216,619
Treasury bonds	1,351,685	-	-	1,351,685
Money market mutual funds	1,959,340	-	-	1,959,340
Fixed income securities	3,433,753	-	-	3,433,753
Equities	1,915,137	-	-	1,915,137
Municipal bonds	758,422	-	-	758,422
Other funds	824,031	-	-	824,031
Catholic Benefits Trust investment	-	1,000,000	-	1,000,000
Charitable remainder trust receivable	-	-	342,666	342,666
National Catholic Risk Retention Stock	-	55,673	-	55,673
Parish bond receivable	-	-	3,410,657	3,410,657
	<u>\$ 11,458,987</u>	<u>\$ 1,055,673</u>	<u>\$ 3,753,323</u>	<u>\$ 16,267,983</u>

Assets at Fair Value as of June 30, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 375,350	\$ -	\$ -	\$ 375,350
Money market funds	3,169,649	-	-	3,169,649
Fixed income	5,505,469	-	-	5,505,469
Equities	1,445,527	-	-	1,445,527
Other investments	336,046	-	-	336,046
Catholic Benefits Trust investment	-	1,000,000	-	1,000,000
Charitable remainder trust receivable	-	-	266,802	266,802
National Catholic Risk Retention Stock	-	55,673	-	55,673
Parish bond receivable	-	-	3,658,251	3,658,251
	<u>\$ 10,832,041</u>	<u>\$ 1,055,673</u>	<u>\$ 3,925,053</u>	<u>\$ 15,812,767</u>

The change in the parish bond receivable included in level 3 assets measured at fair value on a recurring basis was due solely to payments received on the amount outstanding. The change in the charitable remainder trust receivable included in level 3 assets measured at fair value on a recurring basis was due solely to investment gains. There were no purchases of level 3 investments during the years ending June 30, 2021 or 2020.

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4. Loans Payable

Greensburg Central Catholic Junior-Senior High School acquired a variable-rate loan 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, reflected as a liability in the High Schools/Tuition Assistance Fund as are all High School loans described in this note, 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 balance is due in equal monthly installments through June 30, 2031. The loan bore interest at 2.75% from July 1, 2018 until April 1, 2020, at which time the rate was decreased to 0%. The rate reset to 2.50% beginning July 1, 2020. Interest expense was \$9,518 and \$8,509 for the years ended June 30, 2021 and 2020, respectively. The aggregate payments required for annual periods subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 32,407	\$ 8,719
2023	33,227	7,900
2024	34,067	7,059
2025	34,928	6,197
2026	35,812	5,315
2027-2031	<u>193,110</u>	<u>12,522</u>
Total	<u>\$ 363,551</u>	<u>\$ 47,712</u>

In April 2019, Greensburg Central Catholic Junior-Senior High School acquired a \$203,295 four-year variable-rate loan to finance the purchase of new laptops as part of the 1:1 initiative. Each school student received a laptop to use during the 2019-2020 school year. The loan is supported by technology fee payments that are required for all students. This loan is payable to the Catholic Institute of Greensburg, Pennsylvania, in monthly installments of \$4,522, including interest at 3.25%. As of April 1, 2020, interest was set to 0%. Interest expense was \$3,075 and \$4,566 during the years ended June 30, 2021 and 2020, respectively. The rate reset to 2.50% beginning July 1, 2020. Principal payments began on July 1, 2019 and end on June 30, 2023. The aggregate payments required for annual periods subsequent to June 30, 2021 are as follows:

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<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 51,157	\$ 2,007
2023	<u>52,257</u>	<u>713</u>
Total	<u>\$ 103,414</u>	<u>\$ 2,720</u>

In April 2019, Geibel Catholic Junior-Senior High School also acquired a \$95,646 four-year variable-rate loan to finance the purchase of new laptops as part of the 1:1 initiative. Each school student received a laptop to use during the 2019-2020 school year. The loan is supported by technology fee payments that are required for all students. This loan is payable to the Catholic Institute of Greensburg, Pennsylvania, in monthly installments of \$2,128, including interest at 3.25%. As of April 1, 2020, interest was set to 0%. Interest expense was \$1,486 and \$2,106 during the years ended June 30, 2021 and 2020, respectively. The rate reset to 2.50% beginning July 1, 2020. Principal payments began on July 1, 2019 and end on June 30, 2023. The aggregate payments required for annual periods subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 24,068	\$ 944
2023	<u>24,626</u>	<u>335</u>
Total	<u>\$ 48,694</u>	<u>\$ 1,279</u>

The Diocese of Greensburg Plant Fund 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. No other disbursements will be made. This loan is payable to the Catholic Institute of Greensburg, Pennsylvania and bore interest at 2.75%. As of April 1, 2020, interest was set to 0%. The rate reset to 2.50% beginning July 1, 2020. The loan matures on April 30, 2028. Interest expense was \$14,597 and \$14,099 for the years ended June 30, 2021 and 2020, respectively.

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The aggregate payments required for annual periods subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 107,278	\$ 11,988
2023	109,991	9,275
2024	112,772	6,494
2025	101,634	3,656
2026	33,378	2,039
Thereafter	<u>66,983</u>	<u>1,530</u>
Total	<u>\$ 532,036</u>	<u>\$ 34,982</u>

The Diocese of Greensburg Plant Fund 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 made in November 2011. The loan is secured by the building and is payable to the Catholic Institute of Greensburg, Pennsylvania. The loan bore interest at 2.75%. As of April 1, 2020, interest was set to 0%. The rate reset to 2.50% beginning July 1, 2020. Interest expense was \$4,834 and \$4,892 for the years ended June 30, 2021 and 2020, respectively.

The aggregate payments required for annual periods subsequent to June 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 38,996	\$ 3,872
2023	39,982	2,886
2024	40,993	1,875
2025	42,030	838
2026	<u>10,676</u>	<u>45</u>
Total	<u>\$ 172,677</u>	<u>\$ 9,516</u>

The Diocese obtained a \$2,500,000 line of credit during the year ended June 30, 2020 from a local bank. The line has a maturity date of December 3, 2021. The line bears interest at LIBOR plus .75% and is secured by a lien and security interest in all gross revenues of the Diocese. \$443,086 and \$0 were outstanding under the line on June 30, 2021 and 2020, respectively.

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5. Bonds Payable

On June 1, 2003, the Diocese, through Latrobe Industrial Development Authority, issued \$6,350,000 of Variable Rate Revenue Bonds with varying interest rates determined and adjusted weekly by Mellon Financial Markets, LLC, the Remarketing Agent. The interest rates cannot exceed 12%. The Bonds began maturing annually beginning on June 30, 2006. The proceeds of the Bonds were used to finance construction of an expansion of the Mother of Sorrows Elementary School, fund capitalized interest, and the costs of Bond issuance.

The proceeds of the 2003 Bond issue were loaned to Mother of Sorrows on June 19, 2003 at a rate of 3.25%, plus annual remarketing and trustee fees, with a 30-year term for their capital project of expansion of the elementary school. The rate of interest is established annually by the Diocese and is currently 2.75%. Loan repayments from Mother of Sorrows are intended to service the debt obligation on the outstanding Bonds. The Diocese has recorded a receivable in the Parish Bond Fund in the amount of \$3,410,657, which is considered a significant concentration of the total Diocese of Greensburg's accounts receivable.

On June 1, 2011, the 2003 Bonds were refunded in their entirety using the \$5,625,000 proceeds of the Series 2011 Variable Rate Revenue Refunding Bonds, issued through the Jefferson County Industrial Development Authority (2011 Bonds). The 2011 Bonds are a general obligation of the Diocese and are secured by a lien and security interest in all of the gross revenues of the Diocese. On the same date, the 2011 Bonds were purchased by PNC Bank. PNC Bank agreed to purchase the bonds for a fixed rate of 2.20% for a period of five years, ending June 1, 2016, at which time a balloon payment would be due.

The Diocese refinanced the balloon payment due in November 2015 to extend the term of the payments. As part of the refinancing, the Diocese entered into an interest rate swap agreement which is further described below. Also, as part of the refinancing, an early termination was executed of the initial period of the 2011 bonds and a new tax exempt flex private placement term loan was agreed upon at a variable LIBOR-based rate equal to the sum of 70% of one month LIBOR plus 72 basis points (0.72%), which was extended one month and ended on December 3, 2020. A new one-year term note was issued with PNC in the amount of \$3,610,000 on December 3, 2020 with an interest rate per annum equal to the sum of LIBOR in effect on each month reset date plus 100 basis points (1.0%). The maturity date is December 3, 2021.

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The Diocese has entered into certain covenants with PNC. One such covenant limits the Diocese's ability to enter into any additional senior debt or enter into any subordinated debt in excess of \$5 million without the bank's consent. The Diocese also is bound by a liquidity covenant. The Diocese is required to report its compliance with all covenants 150 days subsequent to each year-end. The Diocese is in compliance with the aforementioned debt covenants.

Future Maturities

The future scheduled principal payments of the term loan with PNC are as follows for the fiscal year ending June 30, 2021:

<u>Fiscal Year</u>	<u>Principal</u>
2022	<u>\$ 3,375,000</u>

Interest expense for the years ended June 30, 2021 and 2020 was \$35,744 and \$75,561, respectively.

Swap Agreement

During fiscal year 2016, the Diocese entered into a pay-fixed, receive-variable interest rate swap agreement. The interest rate swap was effective November 3, 2015. The swap agreement originally required that the Diocese and the Counterparty (PNC) make monthly interest payments on the first of each month through June 1, 2033. The swap was terminated on October 28, 2020.

The intention of the swap was to effectively change the Diocese's variable interest rate on the 2011 Bonds to a synthetic fixed rate of 1.846%. During fiscal years 2021 and 2020, the net interest paid by the Diocese prior to termination was \$26,766 and \$24,061, respectively.

6. 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

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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 (3.6% in fiscal year 2020-2021). The amounts billed to parishes and other Diocesan agencies are recorded as a reduction in net periodic pension expense. 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 following table sets forth the plans' funded status and amounts recognized in the Diocese's financial statements at June 30, 2021:

	<u>Lay Employees</u>	<u>Priests</u>
Actuarial present value of benefit obligations	<u>\$ 42,659,162</u>	<u>\$ 14,435,329</u>
Projected benefit obligation (PBO) for services rendered to date	\$ 42,659,162	\$ 14,435,329
Plan assets at fair value	<u>28,792,985</u>	<u>10,355,405</u>
Accrued pension cost	<u>\$ (13,866,177)</u>	<u>\$ (4,079,924)</u>

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

	<u>Lay Employees</u>	<u>Priests</u>
Prior service cost	\$ -	\$ 867,639
Net loss	<u>11,965,456</u>	<u>4,001,448</u>
	<u>\$ 11,965,456</u>	<u>\$ 4,869,087</u>

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The following table sets forth the plans' funded status and amounts recognized in the Diocese's financial statements at June 30, 2020:

	<u>Lay Employees</u>	<u>Priests</u>
Actuarial present value of benefit obligations	\$ 52,280,698	\$ 14,534,240
Projected benefit obligation (PBO) for services rendered to date	\$ 52,280,698	\$ 14,534,240
Plan assets at fair value	<u>29,394,419</u>	<u>9,168,641</u>
Accrued pension cost	<u>\$ (22,886,279)</u>	<u>\$ (5,365,599)</u>

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

	<u>Lay Employees</u>	<u>Priests</u>
Prior service cost	\$ -	\$ 622,206
Net loss	<u>21,961,764</u>	<u>5,724,851</u>
	<u>\$ 21,961,764</u>	<u>\$ 6,347,057</u>

The projected benefit obligation (PBO) decreased by approximately \$9.6 million between June 30, 2021 and 2020, combined with the actual return on assets being more than the projected return.

During the year ended June 30, 2021, the Diocese offered lump sum payments to active employees age 59 1/2 and older, and terminated vested participants in the Lay Employees Plan. Lump sum payments in the amount of \$5,641,674 were paid out and a corresponding liability of \$8,071,089 was released. A net gain of \$2,429,415 was recognized as other comprehensive income and a settlement loss of \$1,582,431 was included as a component of net periodic benefit cost. Both of these amounts are recorded as an actuarial gain (loss) on pension and postretirement benefit plans on the statement of activities for the year ended June 30, 2021.

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The components of the actuarial gain (loss) on pension and postretirement benefits plans recorded on the statement of activities for the years ended June 30, 2021 and 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Lay employee pension plan	\$ 7,566,893	\$ (5,522,258)
Priest pension plan	1,477,970	(1,355,626)
Other post-retirement benefits plan	2,138,886	1,713,618
Settlement gain (other comprehensive income)	2,429,415	-
Settlement loss (net periodic benefit cost)	<u>(1,582,431)</u>	<u>-</u>
	<u>\$ 12,030,733</u>	<u>\$ (5,164,266)</u>

Benefits paid during the years ended June 30, 2021 and 2020 for the Lay Employees Plan were \$2,605,519 and \$2,545,430, respectively. Benefits paid during the years ended June 30, 2021 and 2020 for the Priests Plan were \$807,358 and \$797,148, respectively.

The preceding tables setting forth the plans' funded status at June 30, 2021 and 2020 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 66% in equity securities, 31% in fixed income investments, and 3% in mutual fund investments and cash equivalents. Plan assets for the Priests Plan at June 30, 2021 include 58% in equity securities, 39% in fixed income investments, and 3% 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 6.75% and 6.20% long-term rates of return on assets assumptions for the Lay and Priest plans for the 2020-2021 fiscal year and 7.25% and 6.80% for the Lay and Priest plans for the 2019-2020 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 guidelines exclude investments in companies whose products or services are morally or socially inconsistent with the teachings of the Catholic Church.

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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 (credit) included the following components for the year ended June 30, 2021:

	Lay Employees	Priests
Service cost - benefits earned during the year	\$ -	\$ 53,610
Interest cost on projected benefit obligation	1,066,875	297,523
Net amortization and deferral	810,741	366,332
Recognized actuarial (gain) or loss	-	119,746
Expected return on assets	<u>(1,888,526)</u>	<u>(542,791)</u>
Net periodic pension cost (credit)	(10,910)	294,420
Less: amounts attributable to parishes	<u>7,439</u>	<u>(244,132)</u>
Net Diocesan Pension Cost (Credit)	<u>\$ (3,471)</u>	<u>\$ 50,288</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Net Diocesan periodic pension cost included the following components for the year ended June 30, 2020:

	Lay Employees	Priests
Service cost - benefits earned during the year	\$ -	\$ 46,091
Interest cost on projected benefit obligation	1,478,857	408,487
Net amortization and deferral	540,614	260,499
Recognized actuarial (gain) or loss	-	135,145
Expected return on assets	(2,111,535)	(626,506)
Net periodic pension cost (credit)	(92,064)	223,716
Less: amounts attributable to parishes	63,524	(192,396)
Net Diocesan Pension Cost (Credit)	<u>\$ (28,540)</u>	<u>\$ 31,320</u>

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

	2021	2020
Rate of increase in future compensation levels (Lay Employees Plan only)	N/A	N/A
Weighted-average discount rate	2.7%	2.7%

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, 2021 to June 30, 2022	\$ 2,690,852	\$ 866,755
July 1, 2022 to June 30, 2023	2,682,844	854,459
July 1, 2023 to June 30, 2024	2,681,167	855,347
July 1, 2024 to June 30, 2025	2,672,606	861,839
July 1, 2025 to June 30, 2026	2,632,441	862,966
Next five years	12,436,792	4,071,513

Employer contributions paid during the fiscal years ended June 30, 2021 and 2020 for the Lay Employees' pension plan were \$595,324 and \$555,165, respectively. Employer contributions paid during the fiscal years ended June 30, 2021 and 2020 for the Priests

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

pension plan were \$102,124 and \$33,329, 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, 2022 are \$600,000 and \$177,000, respectively.

The measurement date used to determine pension and other postretirement benefit measurements was June 30, 2021.

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, 2021 and 2020, expenses for this part of the plan were \$183,588 and \$192,036, 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

There is also a transition benefit for employees that are 50 years or older and have five years of eligible service as of July 1, 2015. Employees meeting these criteria at July 1, 2015 will earn an additional 2% benefit for five years, ending June 30, 2020.

For the years ended June 30, 2021 and 2020, expenses for this part of the plan were \$198,311 and \$229,729, respectively.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 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 statements of financial position at June 30, 2021 and 2020.

Accumulated postretirement benefit obligations (APBO):

	<u>2021</u>	<u>2020</u>
Retirees	\$ (2,110,680)	\$ (2,081,628)
Fully eligible active participants	(1,449,606)	(1,427,034)
Other active participants	<u>(1,131,643)</u>	<u>(1,345,253)</u>
Benefit obligations	\$ (4,691,929)	\$ (4,853,915)
Plan assets at fair value	<u>12,673,784</u>	<u>10,002,406</u>
Net postretirement asset	<u>\$ 7,981,855</u>	<u>\$ 5,148,491</u>
Prior service cost	\$ -	\$ (31,616)
Unrecognized net (gain) loss	<u>(4,856,917)</u>	<u>(2,686,415)</u>
Total not yet recognized in net periodic benefit cost (credit)	<u>\$ (4,856,917)</u>	<u>\$ (2,718,031)</u>

Postretirement benefit plan assets are held in the Catholic Foundation's managed balanced portfolios at June 30, 2021 and 2020. At June 30, 2021, the portfolios included 69% in equity securities, 23% in fixed income investments, and 8% in mutual fund investments and cash equivalents. At June 30, 2020, the portfolios included 69% in equity securities, 23% in fixed income investments, and 8% in mutual fund investments and cash equivalents. These assets are considered to be Level 1 assets as described in Note 3. The discount rate used in determining the Actuarial Present Value of Benefit Obligations (APBO) was 2.8% at June 30, 2021 and 2.7% at June 30, 2020.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Net Diocesan postretirement benefit expense included the following components for the years ended June 30, 2021 and 2020:

	2021	2020
Service cost	\$ 66,882	\$ 86,734
Interest cost	111,919	220,690
Expected return on plan assets	(695,167)	(720,319)
Net amortization and deferral	(178,112)	(70,365)
Net periodic benefit cost (credit)	(694,478)	(483,260)
Less: amounts billed to parishes	620,250	415,604
	<u>\$ (74,228)</u>	<u>\$ (67,656)</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 5.8% for 2021 and is assumed to decrease to 4.5% by 2037 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. If the assumed health care cost trend rates were increased by one percentage point each year, this would increase the APBO for health care plans as of June 30, 2021 by \$714,332 and the aggregate of service and interest cost components of net periodic postretirement benefit expense for fiscal year 2021 by \$39,457.

7. Diocesan Insurance Program

Through its insurance program, the Diocese seeks to minimize its insurance costs through central administration, self-insurance of medical, 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, 2021 and 2020, the Diocese has accrued \$2,133,848 and \$1,862,428, respectively, in claims that were incurred prior to the end of the fiscal year, but were not paid. The Diocese is actively defending liability claims with their legal counsel, and any potential costs would be paid from the Self-Insurance fund. Effective June 1, 2019, the Diocese transitioned to a fully-insured workers compensation program, with 1 month of premiums included in the insurance program during the year ended June 30, 2020.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

8. Net Assets With Donor Restrictions

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

	June 30, 2021	June 30, 2020
	<u> </u>	<u> </u>
Diocesan Lenten Appeal contributions for periods after June 30 (time restricted)	\$ 3,443,216	\$ 3,280,974
High Schools (use restricted)	386,852	353,641
Department of Education (use restricted)	216,004	218,060
Plant Fund (use restricted)	75,935	33,285
Neumann House (use restricted)	-	9,143
Diocesan Heritage Center (use restricted)	51,270	51,270
Pro Life (use restricted)	200	-
	<u>\$ 4,173,477</u>	<u>\$ 3,946,373</u>

9. Net Assets Released from Restrictions

Net assets of \$3,774,687 and \$3,761,425 were released from donor restrictions during the fiscal years ended June 30, 2021 and 2020, respectively, by incurring expenses satisfying the restricted purpose of \$480,359 and \$504,278, respectively, or the lapsing of a time restriction of \$3,294,328 and \$3,257,147, 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.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

10. Net Assets Without Donor Restrictions

Designated net assets are outlined in the following table:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Current Fund:		
Charitable contributions	\$ 148,939	\$ 132,706
Diocesan Poverty Relief Fund	85,005	76,698
Government school programs	7,550	7,849
General use of the Diocese	20,000	20,000
Societies of the Diocese	10,823	8,410
Permanent diaconate program	7,500	-
Vocations program	7,000	-
Catholic school programs	5,000	-
Faith, Formation and Discipleship program	35,703	35,703
Worship and word program	2,257	2,257
	<u>\$ 329,777</u>	<u>\$ 283,623</u>
High Schools/Tuition Assistance Programs:		
Tuition assistance	<u>\$ 23,412</u>	<u>\$ 23,295</u>
Self-Insurance Fund	<u>\$ 515,629</u>	<u>\$ 1,746,684</u>
Plant Fund - fixed assets	<u>\$ 15,571,953</u>	<u>\$ 15,563,826</u>
Agency Fund - Mission Cooperative Plan	<u>\$ 67,650</u>	<u>\$ 81,852</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

11. Expenses

The Diocese provides administrative services to parishes and schools of the Diocese. Expenses on a functional and natural basis are as follows for the year ended June 30, 2021:

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Insurance claims and settlements expense	\$ 11,543,400	\$ 166,455	\$ -	\$ 11,709,855
Compensation and benefits	2,566,958	2,191,586	119,453	4,877,997
Evangelization expenses	1,252,187	-	-	1,252,187
Ministry expenses	700,513	-	-	700,513
Office expenses	454,586	740,134	290,696	1,485,416
Occupancy	419,967	13,308	5,801	439,076
Interest expense	81,941	2,049	-	83,990
Depreciation expense	755,893	-	-	755,893
Educational services:				
Compensation and benefits	4,198,202	-	-	4,198,202
Operation and maintenance	712,089	-	-	712,089
Tuition assistance	4,426,122	-	-	4,426,122
Other operating costs	<u>1,333,164</u>	<u>-</u>	<u>-</u>	<u>1,333,164</u>
Total educational services	<u>10,669,577</u>	<u>-</u>	<u>-</u>	<u>10,669,577</u>
Total	<u>\$ 28,445,022</u>	<u>\$ 3,113,532</u>	<u>\$ 415,950</u>	<u>\$ 31,974,504</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

Expenses on a functional and natural basis are as follows for the year ended June 30, 2020:

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Insurance claims and settlements expense	\$ 10,765,209	\$ 165,710	\$ -	\$ 10,930,919
Compensation and benefits	2,934,655	2,043,203	122,190	5,100,048
Evangelization expenses	1,183,035	-	-	1,183,035
Ministry expenses	752,399	-	-	752,399
Office expenses	548,868	798,369	153,021	1,500,258
Occupancy	443,682	49,715	5,812	499,209
Interest expense	118,613	-	-	118,613
Depreciation expense	1,051,490	176,076	-	1,227,566
Educational services:				
Compensation and benefits	3,357,976	-	-	3,357,976
Operation and maintenance	668,145	-	-	668,145
Tuition assistance	4,688,104	-	-	4,688,104
Other operating costs	2,154,190	-	-	2,154,190
Total educational services	<u>10,868,415</u>	<u>-</u>	<u>-</u>	<u>10,868,415</u>
Total	<u>\$ 28,666,366</u>	<u>\$ 3,233,073</u>	<u>\$ 281,023</u>	<u>\$ 32,180,462</u>

12. 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 receives income annually from endowment funds held in 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, 4.25% 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. Although the Diocese 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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

As part of its liquidity management plan, the Diocese invests its cash in excess of daily requirements in short-term investments, and money market funds. The Diocese 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:

	2021	2020
Total assets, at year-end	\$ 49,906,364	\$ 47,888,748
Capital assets, net	(15,681,961)	(15,704,533)
Assets designated for OPEB benefits	(12,673,784)	(10,002,406)
Parish bond fund receivable	(3,410,657)	(3,658,251)
Parish receivables in arrears	(793,765)	(955,473)
Funds held on behalf of others	(1,012,343)	(740,746)
Prepays and other assets	(194,415)	(144,392)
Receivables not expected in one year	(1,973,528)	(6,112,240)
Board-designated net assets	(975,931)	(2,135,454)
Net assets restricted by donor with purpose restrictions	(730,261)	(665,399)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 12,459,719</u>	<u>\$ 7,769,854</u>

13. 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 August 31, 2021, the Initiative has resulted in settlements with 78 survivors totaling \$6,454,651, with other catholic institutions contributing \$676,067 toward

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

those settlements. The balance of the settlements have been funded by the Diocese of Greensburg Self-Insurance Fund (66%), Plant Fund (9%), and Current Fund (25%). The Diocese has also incurred \$13,545 in counseling fees, and \$198,265 in fees paid to CMCI to administer the Program.

In June 2020, an alleged victim of the deceased Father Joseph Sredzinski of the Diocese filed a civil lawsuit in the District of Columbia against the Diocese and the parish where Father Sredzinski served following the District of Columbia's enactment of window legislation related to the statute of limitations for sexual abuse survivors. The alleged victim claims that Father Sredzinski allegedly abused him on trips and vacations to Washington, DC in the 1990s. The Diocese has filed a motion to dismiss this civil lawsuit on jurisdictional and substantive grounds. That motion to dismiss remains pending in the District of Columbia federal court.

In August 2020, Father Andrew Kawecky of the Diocese was criminally charged following an allegation of child sexual abuse. The Diocese first learned of the allegation when the alleged victim applied to the Program. After receiving the information on the alleged victim's Program application, the Diocese notified PA ChildLine and local law enforcement. Father Kawecky was immediately removed from ministry and his parishioners were notified about the allegation. In July 2021, the alleged victim filed a civil lawsuit against Father Kawecky, the Diocese and the parish where Father Kawecky served. The civil lawsuit is currently being mediated. On October 25, 2021, Father Kawecky pleaded no contest to one misdemeanor count of indecent assault. Father Kawecky is currently awaiting sentencing. A substantial part of any settlement of the civil suit will be covered by insurance. The portion of any settlement that will not be covered by insurance in the amount of \$260,455 has been accrued by the Diocese at June 30, 2021.

This year, the Supreme Court of Pennsylvania overturned the prior decision of the Pennsylvania Superior Court in the case of *Rice v. Diocese of Altoona-Johnstown*. The Pennsylvania Superior Court's *Rice* decision had effectively eliminated the traditional statute of limitations applicable to clergy sexual abuse cases and permitted plaintiffs to file otherwise time-barred cases again under fraud and conspiracy theories. In July 2021, the Pennsylvania Supreme Court reversed the Superior Court's *Rice* decision in its entirety and reinstated the trial court's dismissal of the case on statute of limitations grounds. Prior to the Pennsylvania Supreme Court's *Rice* decision, plaintiffs had filed more than 200 of these *Rice* cases across the state. Of the more than 200 *Rice* cases filed, five of these cases had been pending against the Diocese. Following the Pennsylvania Supreme Court's decision in *Rice*, all five of the *Rice* cases pending against the Diocese have been voluntarily discontinued or abandoned.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 excess insurance. There are various other 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 these matters and the matters described above should either not be material or cannot be estimated. Accordingly, other than the claims described in note 7, 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, 2021 AND 2020

	2021	2020
Diocesan Billings and Assessments:		
Diocesan assessment	\$ 2,682,717	\$ 2,664,369
Accent assessment	572,659	587,546
Education and Spiritual Formation	7,666	50,028
Total Diocesan billings and assessments	3,263,042	3,301,943
Contributions/Grants:		
Diocesan Lenten Appeal	3,428,870	3,404,651
Seminarian and clergy formation collection	222,054	212,136
Donations and bequests	37,002	40,897
Lay ministry education programs	154,968	156,391
SBA PPP loan	1,083,641	-
Total contributions/grants	4,926,535	3,814,075
Investment and Endowment Income:		
Current Fund investments	480,140	323,938
Endowment Fund income for education of priests and lay ministers	340,607	326,905
Endowment Fund income for evangelization and faith formation	198,999	185,402
Total investment and endowment income	1,019,746	836,245
Auxiliary Services:		
Income derived from utilization of the Christ Our Shepherd Center	857,535	967,410
Other Revenues:		
Hospital ministry	522,260	521,527
Management fees	276,903	271,076
Government programs	362,593	518,002
Neumann House residence fees	131,138	135,525
Advertising and subscription revenues	151,663	64,667
Dispensations	1,225	2,110
Communication media collection	18,348	19,607
Other	303,730	141,957
Rents and royalties	213	231
Total other revenues	1,768,073	1,674,702
Other Diocesan Programs:		
Retained portion of external collections	30,025	35,803
Diocesan Poverty Relief Fund	46,322	43,239
Total other Diocesan programs	76,347	79,042
Total Current Fund Revenues and Other Support - Without Donor Restrictions	\$ 11,911,278	\$ 10,673,417

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Education:		
Education and Spiritual Formation	\$ 907,265	\$ 1,032,736
Secondary education contribution to tuition assistance fund	475,000	475,000
Elementary education contribution to tuition assistance fund	145,000	145,000
Government programs	362,892	515,868
Total education	1,890,157	2,168,604
Auxiliary Services:		
Operation and maintenance of the Christ Our Shepherd Center	719,009	966,859
Pastoral:		
Hospital ministries	527,690	536,797
Retired, sick, and unassigned priests	464,379	439,238
General diocesan administration	515,905	569,017
Matrimonial office	205,599	200,565
Special events	131,235	14,250
Operations - Neumann House	347,646	342,292
Curator / archives	849	12,179
Future parish sites maintenance	6,158	6,009
Cursillo movement/charismatic renewal	6,363	15,166
Diocesan cemeteries office	964	957
Lay pension actuarial adjustment	(182,096)	(198,291)
Total pastoral	2,024,692	1,938,179
Social Services:		
Catholic Charities subsidy	378,250	378,250
Diocesan Council of Catholic Women	9,961	10,829
Other programs	7,604	4,796
Total social services	395,815	393,875

(Continued)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2021 AND 2020
(Continued)

	2021	2020
Diocesan Administrative Offices:		
Communications & Evangelization office	1,252,187	1,183,035
Information technology office	786,967	740,914
Finance office	740,879	752,881
Development office	284,715	264,698
Bishop's office	211,997	274,142
Bishops' residence	141,685	153,318
Engineering and Facilities Management office	212,186	220,062
Vicar General's office	133,883	137,926
Permanent Diaconate office	64,874	103,649
Chancellor and Human Resources office	122,563	116,812
Services and Facilities office	3,479	44,247
Retired Bishop's office and residence	122,422	96,141
Total Diocesan administrative offices	4,077,837	4,087,825
Religious Personnel Development:		
Vocation program office	370,023	334,978
International priests program	98,355	181,526
Total religious personnel development	468,378	516,504
Other Diocesan Programs:		
Donations	51,807	101,732
Total Current Fund Expenses - Without Donor Restrictions	\$ 9,627,695	\$ 10,173,578

(Concluded)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN HIGH SCHOOLS AND TUITION ASSISTANCE FUNDS ASSETS, LIABILITIES, AND NET ASSETS

JUNE 30, 2021 AND 2020

	2021				2020			
	Central Catholic	Geibel Catholic	Tuition Assistance	Total	Central Catholic	Geibel Catholic	Tuition Assistance	Total
Assets								
Temporary investments and deposits	\$ 152,148	\$ 190,740	\$ -	\$ 342,888	\$ 146,257	\$ 189,789	\$ -	\$ 336,046
Student activity accounts	249,227	53,471	-	302,698	234,967	56,574	-	291,541
Tuition receivable	171,678	135,388	-	307,066	201,659	199,835	-	401,494
Less: allowance for doubtful accounts	(126,081)	(102,020)	-	(228,101)	(134,293)	(84,252)	-	(218,545)
Other receivables	39,102	-	-	39,102	69,015	-	-	69,015
Computer equipment	101,648	47,823	-	149,471	152,471	71,734	-	224,205
Due from other funds	-	377,686	-	377,686	-	387,598	-	387,598
Total Assets	\$ 587,722	\$ 703,088	\$ -	\$ 1,290,810	\$ 670,076	\$ 821,278	\$ -	\$ 1,491,354
Liabilities and Net Assets								
Liabilities:								
Catholic Institute loan payable	\$ 466,965	\$ 48,694	\$ -	\$ 515,659	\$ 548,663	\$ 72,220	\$ -	\$ 620,883
Funds held in escrow for others	249,227	53,471	-	302,698	234,967	56,574	-	291,541
Accrued expenses	172,996	29,686	-	202,682	208,863	42,551	-	251,414
Refundable advance	-	-	-	-	433,670	174,789	-	608,459
Due to other funds	3,367	-	122,429	125,796	139,556	-	423,479	563,035
Total Liabilities	892,555	131,851	122,429	1,146,835	1,565,719	346,134	423,479	2,335,332
Net Assets:								
Without Donor Restrictions:								
Undesignated	(473,322)	362,056	(155,023)	(266,289)	(1,059,682)	287,070	(448,302)	(1,220,914)
Designated	-	23,412	-	23,412	-	23,295	-	23,295
Total Without Donor Restrictions	(473,322)	385,468	(155,023)	(242,877)	(1,059,682)	310,365	(448,302)	(1,197,619)
With Donor Restrictions	168,489	185,769	32,594	386,852	164,039	164,779	24,823	353,641
Total Net Assets	(304,833)	571,237	(122,429)	143,975	(895,643)	475,144	(423,479)	(843,978)
Total Liabilities and Net Assets	\$ 587,722	\$ 703,088	\$ -	\$ 1,290,810	\$ 670,076	\$ 821,278	\$ -	\$ 1,491,354

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN HIGH SCHOOLS AND TUITION ASSISTANCE FUNDS REVENUES AND EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021				2020			
	Central Catholic	Geibel Catholic	Tuition Assistance	Combined	Central Catholic	Geibel Catholic	Tuition Assistance	Combined
Revenues:								
Tuition	\$ 1,860,391	\$ 370,548	\$ -	\$ 2,230,939	\$ 2,173,966	\$ 716,432	\$ -	\$ 2,890,398
Parish subsidy	860,940	379,649	-	1,240,589	880,551	425,527	-	1,306,078
Diocesan subsidy	258,620	247,054	620,000	1,125,674	257,881	246,720	620,000	1,124,601
Athletic income	24,665	3,765	-	28,430	41,490	16,954	-	58,444
Development and other	1,750,684	1,043,396	-	2,794,080	863,486	299,454	-	1,162,940
Education assessment	-	-	4,184,518	4,184,518	-	-	3,988,874	3,988,874
Endowment income	-	-	355,334	355,334	-	-	350,264	350,264
Total revenues	4,755,300	2,044,412	5,159,852	11,959,564	4,217,374	1,705,087	4,959,138	10,881,599
Expenses:								
Instruction	2,153,193	923,795	-	3,076,988	2,132,245	976,439	-	3,108,684
Operation and maintenance	529,516	291,208	-	820,724	480,103	188,042	-	668,145
Student body activities	346,026	80,800	-	426,826	322,072	130,987	-	453,059
Administrative	722,701	349,611	309,682	1,381,994	694,850	280,664	326,144	1,301,658
Transportation service	164,690	155,430	-	320,120	123,380	105,300	-	228,680
Tuition assistance	-	-	4,556,891	4,556,891	-	-	4,720,183	4,720,183
Cafeteria	-	100,567	-	100,567	-	84,816	-	84,816
Depreciation expense	50,824	23,912	-	74,736	-	-	-	-
Other	51,417	1,486	-	52,903	89,519	27,258	-	116,777
Total expenses	4,018,367	1,926,809	4,866,573	10,811,749	3,842,169	1,793,506	5,046,327	10,682,002
Other Changes in Net Assets Without Donor Restrictions:								
Transfers to Plant Fund	(150,573)	(42,500)	-	(193,073)	(204,687)	(42,500)	-	(247,187)
Change in Net Assets Without Donor Restrictions	586,360	75,103	293,279	954,742	170,518	(130,919)	(87,189)	(47,590)
Net Assets With Donor Restrictions:								
Grants/contributions	40,209	46,294	57,271	143,774	74,793	63,649	55,245	193,687
Net assets released from restrictions	(35,759)	(25,304)	(49,500)	(110,563)	(58,567)	(63,583)	(53,933)	(176,083)
Change in Net Assets With Donor Restrictions	4,450	20,990	7,771	33,211	16,226	66	1,312	17,604
Change in Net Assets	590,810	96,093	301,050	987,953	186,744	(130,853)	(85,877)	(29,986)
Net Assets (Deficits):								
Beginning of year	(895,643)	475,144	(423,479)	(843,978)	(1,082,387)	605,997	(337,602)	(813,992)
End of year	\$ (304,833)	\$ 571,237	\$ (122,429)	\$ 143,975	\$ (895,643)	\$ 475,144	\$ (423,479)	\$ (843,978)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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

JUNE 30, 2021 AND 2020

	2021			2020		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Assets						
Temporary investments and deposits	\$ 249,826	\$ -	\$ 249,826	\$ 232,113	\$ -	\$ 232,113
Due from other funds	-	102,607	102,607	-	81,838	81,838
Total Assets	\$ 249,826	\$ 102,607	\$ 352,433	\$ 232,113	\$ 81,838	\$ 313,951
Liabilities and Net Assets						
Liabilities:						
Funds held in escrow for others	\$ 140,007	\$ 102,607	\$ 242,614	\$ 104,579	\$ 81,838	\$ 186,417
Due to other funds	42,169	-	42,169	45,682	-	45,682
Total Liabilities	182,176	102,607	284,783	150,261	81,838	232,099
Net Assets:						
Without donor restrictions - designated	67,650	-	67,650	81,852	-	81,852
Total Net Assets	67,650	-	67,650	81,852	-	81,852
Total Liabilities and Net Assets	\$ 249,826	\$ 102,607	\$ 352,433	\$ 232,113	\$ 81,838	\$ 313,951

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN AGENCY FUNDS REVENUES AND EXPENSES

YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Revenues:						
Investment and endowment income	\$ 17,715	\$ -	\$ 17,715	\$ 11,728	\$ -	\$ 11,728
Other revenues	83,063	-	83,063	89,047	-	89,047
Total revenues	100,778	-	100,778	100,775	-	100,775
Expenses:						
Pastoral	6,025	-	6,025	9,585	-	9,585
Diocesan administrative offices	108,955	-	108,955	88,238	-	88,238
Total expenses	114,980	-	114,980	97,823	-	97,823
Change in Net Assets	(14,202)	-	(14,202)	2,952	-	2,952
Net Assets:						
Beginning of year	81,852	-	81,852	78,900	-	78,900
End of year	\$ 67,650	\$ -	\$ 67,650	\$ 81,852	\$ -	\$ 81,852

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

CUSTODIAN FUND SCHEDULES OF ADDITIONS AND DEDUCTIONS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Additions:		
Diocesan Lenten Appeal	\$ 5,543,790	\$ 4,982,270
Local flood/tornado relief relief	-	19
Children and family services	96,221	145,658
Support for retired priests and religious	67,640	88,681
Seminarian and clergy formation	233,741	222,932
Diocesan Poverty Relief Fund	50,385	70,194
Peter's pence	49,435	55,669
Holy Land	50,371	22,762
Disaster relief	19,077	91,604
Communications media	28,515	18,937
Catholic University and education	23,905	39,161
Poland special collection	526	756
Archdiocese for Military Services	424	41,939
Benedictine Annual Appeal	14,673	29,115
National Catholic Youth Convention	68,749	93,667
Total additions	6,247,452	5,903,364
Deductions:		
Contribution income for Current Fund	3,812,416	3,644,002
Diocesan Lenten Appeal payments to parishes	1,953,428	1,551,035
Local flood relief	-	19
Contribution income for Catholic Charities	91,410	137,393
Support for retired priests and religious	64,309	84,061
Holy Land	48,801	22,762
Peter's pence	46,708	53,251
External collections transferred to Current Fund - designated	30,005	35,803
Disaster relief	19,077	91,604
Diocesan Poverty Relief Fund	47,955	67,958
Catholic University and education	22,854	36,650
Communications media	27,071	16,939
Poland special collection	500	718
Archdiocese for Military Services	402	39,842
Benedictine Annual Appeal	13,769	27,659
National Catholic Youth Convention	68,749	93,667
Total deductions	6,247,452	5,903,364
Change in Net Assets	-	-
Net Assets:		
Beginning of year	-	-
End of year	\$ -	\$ -