



The Catholic Foundation
for the Diocese of Greensburg

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

WITH

INDEPENDENT AUDITOR'S REPORT

MaherDuessel

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THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2022 AND 2021

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Independent Auditor's Report

**The Most Reverent Larry J. Kulick, JCL
Bishop of the Diocese of Greensburg
Chairperson of the Members
The Catholic Foundation for the Diocese of Greensburg, Pennsylvania**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Catholic Foundation for the Diocese of Greensburg, Pennsylvania (Foundation), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Foundation'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, including omissions, 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 GAAS, 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 Foundation'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 Foundation'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.

Mahe Duessel

Pittsburgh, Pennsylvania
January 19, 2023

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 140,302	\$ 134,313
Investments:		
Managed balanced portfolios	80,289,911	97,862,075
Equity in other investments	229,021	265,118
Interest in perpetual trust	1,411,632	1,639,925
Total investments	81,930,564	99,767,118
Due from other Diocesan entities	-	8,622
Interest receivable	175,433	163,477
Total Assets	\$ 82,246,299	\$ 100,073,530
Liabilities and Net Assets		
Liabilities:		
Distribution payable	\$ 7,092	\$ 90,000
Due to other Diocesan entities	10,773	-
Gift annuity payable	109,185	132,706
Total Liabilities	127,050	222,706
Net Assets:		
Without donor restrictions:		
Undesignated	2,033,479	2,555,918
Designated	12,882,718	15,225,911
Total without donor restrictions	14,916,197	17,781,829
With donor restrictions:		
Purpose restrictions	21,029,117	24,936,924
Perpetual in nature	46,173,935	57,132,071
Total with donor restrictions	67,203,052	82,068,995
Total Net Assets	82,119,249	99,850,824
Total Liabilities and Net Assets	\$ 82,246,299	\$ 100,073,530

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Without Donor Restrictions	With Donor Restrictions		Total	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual			Purpose	Perpetual	
Revenues, Gains, and Other Support:								
Gifts and bequests	\$ 504,227	\$ 1,177,842	\$ 925,254	\$ 2,607,323	\$ 332,703	\$ 226,396	\$ 592,598	\$ 1,151,697
Investment income (loss), net	(2,910,580)	(4,116,349)	(9,821,797)	(16,848,726)	3,820,260	5,447,935	12,412,426	21,680,621
Change in value of split-interest agreements	-	1,758	25	1,783	-	(11,587)	(76)	(11,663)
Endowment administration fee	305,896	-	-	305,896	220,712	-	-	220,712
Net assets released from restrictions	3,032,676	(971,058)	(2,061,618)	-	2,643,337	(861,736)	(1,781,601)	-
Total revenues, gains, and other support	932,219	(3,907,807)	(10,958,136)	(13,933,724)	7,017,012	4,801,008	11,223,347	23,041,367
Expenses:								
Management and professional fees	145,971	-	-	145,971	84,817	-	-	84,817
Administrative expenses	90,442	-	-	90,442	80,146	-	-	80,146
Payments to beneficiaries	1,133,398	-	-	1,133,398	905,486	-	-	905,486
Transfers to Diocesan entities	2,428,040	-	-	2,428,040	2,241,836	-	-	2,241,836
Total expenses	3,797,851	-	-	3,797,851	3,312,285	-	-	3,312,285
Change in Net Assets	(2,865,632)	(3,907,807)	(10,958,136)	(17,731,575)	3,704,727	4,801,008	11,223,347	19,729,082
Net Assets:								
Beginning of year	17,781,829	24,936,924	57,132,071	99,850,824	14,077,102	20,135,916	45,908,724	80,121,742
End of year	<u>\$ 14,916,197</u>	<u>\$ 21,029,117</u>	<u>\$ 46,173,935</u>	<u>\$ 82,119,249</u>	<u>\$ 17,781,829</u>	<u>\$ 24,936,924</u>	<u>\$ 57,132,071</u>	<u>\$ 99,850,824</u>

See accompanying notes to financial statements.

**THE CATHOLIC FOUNDATION FOR THE
DIOCESE OF GREENSBURG, PENNSYLVANIA**

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ (17,731,575)	\$ 19,729,082
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gain) loss on investments	17,518,047	(20,661,270)
Change in operating assets and liabilities:		
Receivables	(11,956)	(16,784)
Gift annuity payable	(23,521)	(10,947)
Distribution payable	(82,908)	87,176
Due to/from other Diocesan entities	19,395	(75,336)
	(312,518)	(948,079)
Net cash provided by (used in) operating activities	(312,518)	(948,079)
Cash Flows From Investing Activities:		
Sale of investments	51,979,582	19,473,163
Purchase of investments	(51,661,075)	(18,398,777)
	318,507	1,074,386
Net cash provided by (used in) investing activities	318,507	1,074,386
Net Increase (Decrease) in Cash and Cash Equivalents	5,989	126,307
Cash and Cash Equivalents:		
Beginning of year	134,313	8,006
End of year	\$ 140,302	\$ 134,313

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

1. Summary of Significant Accounting Policies

Organization

The Catholic Foundation for the Diocese of Greensburg, Pennsylvania (Foundation) operates under provisions of the Articles of Incorporation dated October 2, 1986. The Foundation, through its philanthropic initiatives that are rooted in Gospel values and in the teaching of the Catholic Church, raises funds, awards grants, and stewards assets in order to advance the mission of the Roman Catholic Diocese of Greensburg (Diocese) to proclaim in word and action the Gospel of Jesus Christ and to build up the kingdom of God on earth.

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting as required by accounting principles generally accepted in the United States of America (GAAP). Accordingly, revenues are recorded when earned and expenses are recognized when the liabilities are incurred.

Resources are classified for accounting and reporting purposes into classes of net assets based on the existence of donor- or grantor-imposed restrictions. The Foundation 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 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." Certain restricted assets are maintained in the Foundation in perpetuity.

Donations and Bequests

When the Foundation is named beneficiary of estates or trusts, income is recorded at the time the assets are received.

Investments

The Foundation has two managed balanced portfolios, consisting principally of common stocks, preferred stocks, corporate and government bonds, and mutual funds, which are recorded at fair value. Realized gains and losses are computed using the specific

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YEARS ENDED JUNE 30, 2022 AND 2021

identification method. Individual parishes, schools, and related Diocesan institutions are permitted to establish separate endowments within these managed portfolios. The fair value of these portfolios was \$80,289,911 and \$97,862,075 at June 30, 2022 and 2021, respectively.

The Foundation has six investment portfolios held and managed by Janney Montgomery that are related to individual donor gifts. The fair value of these investments was \$229,021 and \$265,118 at June 30, 2022 and 2021, respectively.

The Diocese is also the beneficiary of a perpetual trust which is invested in a managed balanced portfolio, consisting principally of common stocks, preferred stocks, and commercial paper, which are recorded at fair value in order to meet the investment objectives of the Foundation. Income from the trust is to be used for the education and training of priests in Westmoreland County. The fair value of the Diocese's interest was \$1,411,632 and \$1,639,925 at June 30, 2022 and 2021, respectively.

Risks and Uncertainties

Financial instruments, which potentially expose the Foundation to concentrations of credit risk, include investments in marketable securities. Concentration of credit risk for investments in marketable securities is mitigated by overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the statements of financial position.

Appreciation (Depreciation)

Investment gains (losses) are added to the principal of all Foundation funds. Interest and dividend earnings are reported as either with restrictions or without restrictions, depending upon stipulations made by the donor.

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

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assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Foundation 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 GAAP, the Foundation accounts for uncertain tax positions, if any, as required. Using this guidance, management has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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.

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.

Endowments

The Foundation's endowments consist of approximately 200 individual funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees (Board) to function as endowments. Designated endowment funds include \$10,622,268 and \$12,673,784 at June 30, 2022 and 2021, respectively, for post-employment retirement benefits for priests. These funds represent the cumulative excess of billings and investment earnings over retiree health insurance costs. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The endowments within the Managed Balanced Portfolios of the financial statements of the Foundation have adopted the Total Return Spending Policy (TRSP). The TRSP suggests an

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amount to be distributed which is designed to allow for a reasonable stream of distributions, while preserving the value of the endowment against inflation and a volatile market. The calculation applies an applicable distribution percentage (based on investment allocation of the endowment) to the average value of the endowment over a period of 12 calendar quarters. The distribution percentage was 4.6% and 4.75% for the fiscal years ended June 30, 2022 and 2021, respectively. All other endowments may elect to have interest and dividend income distributed to their beneficiaries if the corpus of the endowment is greater than \$10,000.

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Endowment Net Asset Composition by Type of Fund - June 30, 2022

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Donor-restricted endowment funds	\$ -	\$ 21,029,117	\$ 46,173,935	\$ 67,203,052
Board-designated endowment funds	12,882,718	-	-	12,882,718
	<u>\$ 12,882,718</u>	<u>\$ 21,029,117</u>	<u>\$ 46,173,935</u>	<u>\$ 80,085,770</u>
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Endowment net assets, beginning of year	\$ 15,225,911	\$ 24,936,924	\$ 57,132,071	\$ 97,294,906
Investment return:				
Investment income	114,342	304,227	250,752	669,321
Net appreciation (depreciation) (realized and unrealized)	<u>(3,024,922)</u>	<u>(4,420,576)</u>	<u>(10,072,549)</u>	<u>(17,518,047)</u>
Total investment return	<u>(2,910,580)</u>	<u>(4,116,349)</u>	<u>(9,821,797)</u>	<u>(16,848,726)</u>
Contributions	504,227	1,177,842	925,254	2,607,323
Appropriation of endowment assets for expenditure	63,160	(971,058)	(2,061,618)	(2,969,516)
Other changes:				
Changes in split-interest agreements	<u>-</u>	<u>1,758</u>	<u>25</u>	<u>1,783</u>
Endowment net assets, end of year	<u>\$ 12,882,718</u>	<u>\$ 21,029,117</u>	<u>\$ 46,173,935</u>	<u>\$ 80,085,770</u>

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Endowment Net Asset Composition by Type of Fund - June 30, 2021

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Donor-restricted endowment funds	\$ -	\$ 24,936,924	\$ 57,132,071	\$ 82,068,995
Board-designated endowment funds	15,225,911	-	-	15,225,911
	\$ 15,225,911	\$ 24,936,924	\$ 57,132,071	\$ 97,294,906
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Endowment net assets, beginning of year	\$ 12,308,484	\$ 20,135,916	\$ 45,908,724	\$ 78,353,124
Investment return:				
Investment income	227,685	433,739	357,927	1,019,351
Net appreciation (realized and unrealized)	3,592,575	5,014,196	12,054,499	20,661,270
Total investment return	3,820,260	5,447,935	12,412,426	21,680,621
Contributions	332,703	226,396	592,598	1,151,697
Appropriation of endowment assets for expenditure	(1,235,536)	(861,736)	(1,781,601)	(3,878,873)
Other changes:				
Changes in split-interest agreements	-	(11,587)	(76)	(11,663)
Endowment net assets, end of year	\$ 15,225,911	\$ 24,936,924	\$ 57,132,071	\$ 97,294,906

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Expense Allocation

Expenses directly related to a specific program are charged to that program. The expenses that are not specifically related to a program include expenses reported under the staff and operational categories, which are reported as management and general expenses.

2. Fair Value

In accordance with accounting requirements, 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.

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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, 2022 or 2021.

Mutual Funds: Valued at the actively traded value of shares held by the Foundation at year-end.

Government Agencies, Equities, and Corporate Bonds: Valued at the quoted fair market value for securities held by the Foundation at year-end.

Beneficial Interest in Trusts: Valued at the quoted fair market value for shares held by Third-Party Trustees.

Gift Annuities: Valued at the present value of the Life Interest at year-end.

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 Foundation 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 tables set forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2022 and 2021.

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Assets and Liabilities at Fair Value as of June 30, 2022

	Level 1	Level 2	Level 3	Total
Beneficial interest in trusts	\$ -	\$ -	\$ 1,523,967	\$ 1,523,967
Gift annuity liability	-	-	(109,185)	(109,185)
Money market funds	4,506,932	-	-	4,506,932
Mutual funds:				
Growth	65,367	-	-	65,367
Social values	47,475	-	-	47,475
Corporate bonds	6,226,843	-	-	6,226,843
Treasury bonds	4,573,549	-	-	4,573,549
Agency bonds	1,691,715	-	-	1,691,715
Municipal bonds	4,690,556	-	-	4,690,556
Mortgage backed securities	2,904,151	-	-	2,904,151
Equities – consumer discretionary goods	7,014,915	-	-	7,014,915
Equities – consumer staples	3,921,793	-	-	3,921,793
Equities – energy	1,638,468	-	-	1,638,468
Equities – financial	7,033,621	-	-	7,033,621
Equities – health care	5,638,678	-	-	5,638,678
Equities – industrial	5,036,491	-	-	5,036,491
Equities – information technology	14,224,024	-	-	14,224,024
Equities - real estate	3,211,908	-	-	3,211,908
Equities – materials	2,377,209	-	-	2,377,209
Equities – telecommunication	3,983,120	-	-	3,983,120
Equities – utilities	1,619,782	-	-	1,619,782
	\$ 80,406,597	\$ -	\$ 1,414,782	\$ 81,821,379

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Assets and Liabilities at Fair Value as of June 30, 2021

	Level 1	Level 2	Level 3	Total
Beneficial interest in trusts	\$ -	\$ -	\$ 1,774,753	\$ 1,774,753
Gift annuity liability	-	-	(132,706)	(132,706)
Uninvested cash	10	-	-	10
Money market funds	2,515,007	-	-	2,515,007
Mutual funds:				
Fixed income	51,275	-	-	51,275
Growth	1,143,633	-	-	1,143,633
Social values	50,335	-	-	50,335
Corporate bonds	8,943,713	-	-	8,943,713
Treasury bonds	5,920,272	-	-	5,920,272
Agency bonds	1,382,744	-	-	1,382,744
Municipal bonds	2,091,599	-	-	2,091,599
Mortgage backed securities	3,205,504	-	-	3,205,504
Equities - consumer discretionary goods	10,972,763	-	-	10,972,763
Equities – consumer staples	4,072,621	-	-	4,072,621
Equities – energy	1,173,382	-	-	1,173,382
Equities – financial	8,011,294	-	-	8,011,294
Equities – health care	6,682,418	-	-	6,682,418
Equities – industrial	8,460,574	-	-	8,460,574
Equities – information technology	17,765,228	-	-	17,765,228
Equities – materials	3,362,697	-	-	3,362,697
Equities - real estate	5,341,980	-	-	5,341,980
Equities – telecommunication	5,461,010	-	-	5,461,010
Equities – utilities	1,120,669	-	-	1,120,669
Equities - other	263,637	-	-	263,637
	\$ 97,992,365	\$ -	\$ 1,642,047	\$ 99,634,412

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NOTES TO FINANCIAL STATEMENTS

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The Foundation's Level 3 assets and liabilities are measured at fair value on a recurring basis. The fair value of those Level 3 assets and liabilities are increased by investment income and changes in fair value. The Foundation's Level 3 assets and liabilities are decreased by payments to beneficiaries. There were no purchases of Level 3 investments during the years ending June 30, 2022 or 2021.

3. Investment Income

Investment income consisted of the following:

	2022	2021
Dividend and interest income	\$ 1,643,396	\$ 1,628,703
Net realized/unrealized gains (losses)	(17,518,047)	20,661,270
	(15,874,651)	22,289,973
Less: investment expense	(974,075)	(609,352)
Investment income (loss)	\$ (16,848,726)	\$ 21,680,621

4. Net Assets with Donor Restrictions – Purpose

Net assets with donor restrictions that are purpose-restricted are as follows:

	2022	2021
Catholic Cemetery Perpetual Care Funds	\$ 15,721,879	\$ 19,545,036
Diocesan Pastoral Care Funds	2,433,862	2,814,479
Ordained Ministry Funds	1,227,306	1,602,402
Catholic Charities Funds	598,655	384,405
Priests' Health and Retirement Funds	756,927	269,382
Catholic Education Funds	290,488	321,220
	\$ 21,029,117	\$ 24,936,924

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Net assets released from restrictions are related to the Foundation's total return distributions under its policy.

5. Net Assets with Donor Restrictions - Perpetual

Net assets with donor restrictions that are restricted to investments in perpetuity, the income from which is expendable to support:

	2022	2021
Ordained Ministry Funds	\$ 8,602,503	\$ 10,151,996
Parish/Catholic School Funds	13,384,040	16,458,574
Catholic Education Funds	11,129,463	14,309,556
Diocesan Pastoral Care Funds	3,000,837	3,442,810
Lay Ministry Education Grants and Program Funds	1,935,042	2,497,292
Capital Maintenance	3,846,478	4,859,352
Elementary Capital Endowment	1,248,848	1,576,991
Priests' Health and Retirement Funds	216,398	264,983
Catholic Cemetery Perpetual Care Funds	31,063	40,362
Catholic Charities Funds	2,779,263	3,530,155
	\$ 46,173,935	\$ 57,132,071

6. Commitments and Contingencies

The Diocese announced a Comprehensive Reconciliation Initiative (Initiative) in February 2019, to help survivors of clergy sexual abuse, which included the adoption of a Survivors' Compensation Program. Although the Survivors' Compensation Program has since closed, the Initiative continues and is ongoing. The Initiative has resulted, to date, in settlements with approximately 80 survivors, totaling in excess of \$8 million. The Diocese Self-Insurance Fund is absorbing the expense of this Initiative, and because the Foundation is a separate corporate entity, its assets would not be subject to the reach of the Diocese's general creditors.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

7. Expenses

The Foundation provides gift and endowment management services to various entities of the Diocese. Expenses on a functional and natural basis are as follows:

	Year Ended June 30, 2022	
	Program	General and Administrative
Total return distributed	\$ 3,561,438	\$ -
Management and professional fees	-	145,971
Salaries and benefits	-	57,241
Office expenses	-	33,201
Total	\$ 3,561,438	\$ 236,413

	Year Ended June 30, 2021	
	Program	General and Administrative
Total return distributed	\$ 3,147,322	\$ -
Management and professional fees	-	84,817
Salaries and benefits	-	49,598
Office expenses	-	30,548
Total	\$ 3,147,322	\$ 164,963

8. Liquidity and Availability

The Foundation manages its liquid resources through prudent investment portfolio management to ensure the entity has adequate funds to cover the monthly returns being distributed, as well as administrative costs. The Foundation prepares detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Donor-restricted endowment funds are not available for general use.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Board-designated endowments may be subject to potential annual appropriation to the operating budget, if and when approved annually by the Board of Members (Members) as part of its budget process. Although the Foundation does not intend to spend from the corpus of these Board-designated endowments (other than amounts appropriated for general or program initiative expenditures as part of the Member's annual budget approval), these amounts could be made available if necessary.

As part of its liquidity management plan, the Foundation invests in cash in excess of daily requirements in short-term investments, and money market funds. The Foundation manages its cash, short-term investments, and money market funds to ensure that sufficient cash is available to cover operating expenditures and liabilities as they come due. This includes, among other items, the total return distributions on donor-restricted endowments, which may fluctuate greatly between years.

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

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end	\$ 82,246,299	\$ 100,073,530
Less:		
Board-designated endowments	12,882,718	15,225,911
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions	21,029,117	24,936,924
Investments held in perpetuity	<u>46,173,935</u>	<u>57,132,071</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,160,529</u>	<u>\$ 2,778,624</u>