

The Diocese of Greensburg, Pennsylvania

Financial Statements and Supplementary Information

Years Ended June 30, 2022 and 2021

with

Independent Auditor's Report



MaherDuessel

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THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2022 AND 2021

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Diocese of Greensburg, Pennsylvania (Diocese), 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 Diocese 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Emphasis of Matter

As indicated in Note 1, the Diocese includes the financial activities of the Diocese and the Trust. There are other activities, programs, and agencies of the Diocese not included in these financial statements. As indicated in Note 13, potential legislation could be brought forward by the Commonwealth of

Pennsylvania to amend the Constitution regarding the Statute of Limitations for claims of sexual abuse. It is possible that the ultimate resolution of these matters could have a material adverse impact on the Diocese's results of operations, liquidity and financial position. The auditor's opinion is not modified with respect to the matters emphasized.

Supplementary Information

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

Maher Duessel

Pittsburgh, Pennsylvania
January 19, 2023

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

<u>Assets</u>	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Agency Fund	Elimination	Totals	
									2022	2021
Cash and cash equivalents	\$ 74,314	\$ 324,636	\$ -	\$ -	\$ -	\$ -	\$ 11,462	\$ -	\$ 410,412	\$ 412,907
Investments:										
Temporary investments and deposits	6,186,836	355,864	3,065,532	-	-	1,159,392	356,771	-	11,124,395	11,446,644
Temporary investments held for others	-	-	-	-	-	-	-	-	-	1,012,343
Other investments	55,673	-	-	-	-	-	-	-	55,673	55,673
Total investments	<u>6,242,509</u>	<u>355,864</u>	<u>3,065,532</u>	<u>-</u>	<u>-</u>	<u>1,159,392</u>	<u>356,771</u>	<u>-</u>	<u>11,180,068</u>	<u>12,514,660</u>
Receivables:										
Parishes and schools	2,322,535	-	-	772,210	-	-	-	-	3,094,745	7,411,014
Ordained priests	222,564	-	-	-	-	-	-	-	222,564	247,873
Other	198,733	404,685	27,280	-	-	296,459	-	(76,213)	850,944	805,295
Less: allowance for doubtful accounts	<u>(1,088,414)</u>	<u>(231,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,320,014)</u>	<u>(1,316,515)</u>
Total receivables, net	<u>1,655,418</u>	<u>173,085</u>	<u>27,280</u>	<u>772,210</u>	<u>-</u>	<u>296,459</u>	<u>-</u>	<u>(76,213)</u>	<u>2,848,239</u>	<u>7,147,667</u>
Prepaid and other assets	185,219	-	-	-	-	-	-	-	185,219	194,415
Due from other funds	281,575	922,511	-	-	-	-	20,428	-	1,224,514	1,186,246
Due from other Diocesan entities	152,985	-	-	-	-	-	-	-	152,985	94,724
Assets designated for OPEB - priests	-	-	-	10,622,535	-	-	-	-	10,622,535	12,673,784
Fixed assets:										
Construction in progress	-	-	-	-	-	47,334	-	-	47,334	47,334
Buildings	-	-	-	-	-	9,223,857	-	-	9,223,857	9,223,857
Furniture and equipment	-	74,735	-	-	-	9,642,914	-	-	9,717,649	9,656,807
Land	-	-	-	-	-	710,789	-	-	710,789	710,789
Building improvements	-	-	-	-	-	24,967,042	-	-	24,967,042	24,627,957
Fixed assets - gross	<u>-</u>	<u>74,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,591,936</u>	<u>-</u>	<u>-</u>	<u>44,666,671</u>	<u>44,266,744</u>
Less: accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,448,392)</u>	<u>-</u>	<u>-</u>	<u>(29,448,392)</u>	<u>(28,584,783)</u>
Fixed assets - net	<u>-</u>	<u>74,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,143,544</u>	<u>-</u>	<u>-</u>	<u>15,218,279</u>	<u>15,681,961</u>
Total Assets	<u><u>\$ 8,592,020</u></u>	<u><u>\$ 1,850,831</u></u>	<u><u>\$ 3,092,812</u></u>	<u><u>\$ 11,394,745</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,599,395</u></u>	<u><u>\$ 388,661</u></u>	<u><u>\$ (76,213)</u></u>	<u><u>\$ 41,842,251</u></u>	<u><u>\$ 49,906,364</u></u>

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

(Continued)

Liabilities and Net Assets (Deficits)	Current	High Schools/ Tuition Assistance	Self-Insurance	Pension	Parish	Plant	Agency	Elimination	Totals	
	Fund	Fund	Fund	Accounting Fund	Bond Fund	Fund	Fund		2022	2021
Liabilities:										
Accounts payable	\$ 1,047,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,047,671	\$ 823,805
Accrued expenses	128,816	259,993	2,160,827	-	-	-	-	-	2,549,636	2,821,529
Loans payable	-	407,775	-	-	-	558,439	-	-	966,214	1,220,372
Bonds payable	-	-	-	-	-	-	-	-	-	3,375,000
Agency and trust accounts:										
Funds held in escrow for others	-	324,636	-	-	-	-	178,252	(76,213)	426,675	1,495,483
Total agency and trust accounts	-	324,636	-	-	-	-	178,252	(76,213)	426,675	1,495,483
Deferred income	169,380	-	-	4,856,196	-	-	-	-	5,025,576	3,869,017
Accrued pension - lay plan	-	-	-	10,611,516	-	-	-	-	10,611,516	13,866,177
Accrued pension - priests	-	-	-	2,954,369	-	-	-	-	2,954,369	4,079,924
Accrued OPEB - priests	-	-	-	3,656,998	-	-	-	-	3,656,998	4,691,929
Due to other funds	942,939	-	-	201,661	-	-	79,914	-	1,224,514	1,186,246
Due to other Diocesan entities	254,993	-	-	-	-	-	-	-	254,993	292,677
Total Liabilities	<u>2,543,799</u>	<u>992,404</u>	<u>2,160,827</u>	<u>22,280,740</u>	<u>-</u>	<u>558,439</u>	<u>258,166</u>	<u>(76,213)</u>	<u>28,718,162</u>	<u>37,722,159</u>
Net Assets (Deficits):										
Without donor restrictions:										
Undesignated	1,841,314	401,674	-	(10,885,995)	-	-	-	-	(8,643,007)	(8,497,693)
Designated	351,336	23,539	931,985	-	-	15,993,721	130,495	-	17,431,076	16,508,421
Total without donor restrictions	<u>2,192,650</u>	<u>425,213</u>	<u>931,985</u>	<u>(10,885,995)</u>	<u>-</u>	<u>15,993,721</u>	<u>130,495</u>	<u>-</u>	<u>8,788,069</u>	<u>8,010,728</u>
With donor restrictions	<u>3,855,571</u>	<u>433,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,235</u>	<u>-</u>	<u>-</u>	<u>4,336,020</u>	<u>4,173,477</u>
Total Net Assets (Deficits)	<u>6,048,221</u>	<u>858,427</u>	<u>931,985</u>	<u>(10,885,995)</u>	<u>-</u>	<u>16,040,956</u>	<u>130,495</u>	<u>-</u>	<u>13,124,089</u>	<u>12,184,205</u>
Total Liabilities and Net Assets (Deficits)	<u>\$ 8,592,020</u>	<u>\$ 1,850,831</u>	<u>\$ 3,092,812</u>	<u>\$ 11,394,745</u>	<u>\$ -</u>	<u>\$ 16,599,395</u>	<u>\$ 388,661</u>	<u>\$ (76,213)</u>	<u>\$ 41,842,251</u>	<u>\$ 49,906,364</u>

(Concluded)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Agency Fund	Eliminations	Totals	
									2022	2021
Net Assets Without Donor Restrictions:										
Revenues, gains, and other support:										
Diocesan billings and assessments	\$ 3,298,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,298,180	\$ 3,263,042
Contributions/grants	3,937,166	-	-	-	-	33,700	143,097	-	4,113,963	4,983,885
Investment and endowment income (loss)	279,394	-	(149,635)	-	39,080	45,164	(26,552)	-	187,451	1,677,312
Auxiliary services	926,060	-	-	-	-	-	-	-	926,060	857,535
Other revenues	2,005,190	-	-	-	8,750	35,828	105,272	-	2,155,040	1,900,909
Diocesan high schools	-	6,671,028	-	-	-	-	-	(475,000)	6,196,028	6,324,712
Tuition assistance	-	5,160,573	-	-	-	-	-	(620,000)	4,540,573	4,539,852
Diocesan self-insurance program	-	-	10,242,291	-	-	-	-	-	10,242,291	9,832,742
Gain (loss) on sale of fixed assets	-	-	-	-	-	450	-	-	450	1,800
Retained portion of external collections	36,157	-	-	-	-	-	-	-	36,157	30,025
Catholic campaign for human development	35,448	-	-	-	-	-	-	-	35,448	46,322
Total revenues, gains, and other support	10,517,595	11,831,601	10,092,656	-	47,830	115,142	221,817	(1,095,000)	31,731,641	33,458,136
Expenses and losses:										
Education	2,022,644	-	-	-	-	-	-	(620,000)	1,402,644	1,270,157
High school operations	-	6,161,342	-	-	-	-	-	-	6,161,342	5,870,440
Tuition assistance	-	4,486,016	-	-	-	-	-	(475,000)	4,011,016	4,081,891
Auxiliary services	800,742	-	-	-	-	-	-	-	800,742	719,009
Pastoral	1,699,343	-	-	-	-	-	51,478	-	1,750,821	2,030,717
Social services	390,558	-	-	-	-	-	-	-	390,558	395,815
Diocesan administrative offices	4,481,866	283,792	-	-	43,934	-	97,894	-	4,907,486	4,528,711
Interest expense	-	-	-	-	18,940	15,859	-	-	34,799	81,941
Depreciation expense	-	74,736	-	-	-	863,610	-	-	938,346	755,893
Religious personnel development	640,961	-	-	-	-	-	-	-	640,961	468,378
Self-insurance program	-	-	9,667,573	-	-	-	-	-	9,667,573	11,131,553
Victim's Comprehensive Reconciliation Initiative	-	-	1,023,774	-	-	-	-	-	1,023,774	578,302
Donations/capital campaign distributions	50,775	-	-	-	-	36,274	-	-	87,049	61,697
Total expenses and losses	10,086,889	11,005,886	10,691,347	-	62,874	915,743	149,372	(1,095,000)	31,817,111	31,974,504
Excess (Deficiency) of Revenues, Gains, and Other Support Over Expenses and Losses Before Other Changes	430,706	825,715	(598,691)	-	(15,044)	(800,601)	72,445	-	(85,470)	1,483,632

(Continued)

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

(Continued)

	Current Fund	High Schools/ Tuition Assistance Fund	Self-Insurance Fund	Pension Accounting Fund	Parish Bond Fund	Plant Fund	Agency Fund	Eliminations	Totals	
									2022	2021
Other changes:										
Actuarial gain (loss) on pension and postretirement benefit plans	-	-	-	947,411	-	-	-	-	947,411	12,030,733
Transfer from other funds	-	-	1,015,047	-	-	541,092	-	-	1,556,139	1,104,099
Transfer from other Diocesan entities	-	-	-	-	-	25,000	-	-	25,000	25,000
Transfer to other Diocesan entities	-	-	-	-	(100,000)	-	(9,600)	-	(109,600)	-
Transfer to other funds	(1,398,514)	(157,625)	-	-	-	-	-	-	(1,556,139)	(1,104,099)
Total other changes	(1,398,514)	(157,625)	1,015,047	947,411	(100,000)	566,092	(9,600)	-	862,811	12,055,733
Change in Net Assets Without Donor Restrictions	(967,808)	668,090	416,356	947,411	(115,044)	(234,509)	62,845	-	777,341	13,539,365
Net Assets with Donor Restrictions:										
Grants/contributions	4,042,380	193,433	-	-	-	5,000	-	-	4,240,813	4,001,791
Net assets released from restrictions	(3,897,499)	(147,071)	-	-	-	(33,700)	-	-	(4,078,270)	(3,774,687)
Change in Net Assets with Donor Restrictions	144,881	46,362	-	-	-	(28,700)	-	-	162,543	227,104
Change in Net Assets	(822,927)	714,452	416,356	947,411	(115,044)	(263,209)	62,845	-	939,884	13,766,469
Net Assets (Deficits):										
Beginning of year	6,871,148	143,975	515,629	(11,833,406)	115,044	16,304,165	67,650	-	12,184,205	(1,582,264)
End of year	<u>\$ 6,048,221</u>	<u>\$ 858,427</u>	<u>\$ 931,985</u>	<u>\$ (10,885,995)</u>	<u>\$ -</u>	<u>\$ 16,040,956</u>	<u>\$ 130,495</u>	<u>\$ -</u>	<u>\$ 13,124,089</u>	<u>\$ 12,184,205</u>

(Concluded)

See accompanying notes to financial statements.

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	\$ 939,884	\$ 13,766,469
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	938,346	755,893
Loss (gain) on disposal of assets	(450)	(1,800)
Net realized/unrealized (gains) losses on investments	1,119,478	(427,318)
Net realized/unrealized (gains) losses on OPEB investments	2,056,475	(2,822,683)
Changes in operating assets and liabilities:		
Receivables	888,771	900,199
Accounts payable	223,866	(136,713)
Accrued expenses	78,107	667,240
Agency and trust accounts	(1,068,808)	316,301
Deferred income	1,156,559	494,269
Refundable advance	-	(1,692,100)
Prepaid and other assets	9,196	(50,023)
Due to/from other Diocesan entities	(95,945)	(125,312)
Accrued postretirement benefits	(1,034,931)	(161,986)
Accrued pensions	(4,380,216)	(10,305,777)
Net cash provided by (used in) operating activities	830,332	1,176,659
Cash Flows From Investing Activities:		
Purchase of investments	(4,705,426)	(7,017,679)
Sale of investments	4,915,314	6,969,356
Purchase of fixed assets	(474,663)	(733,321)
Proceeds from sale of fixed assets	449	1,800
Net cash provided by (used in) investing activities	(264,326)	(779,844)
Cash Flows From Financing Activities:		
Proceeds from long-term receivable	3,410,657	-
Payments on loans payable	(254,158)	(247,927)
Payments on bonds payable	(3,375,000)	(235,000)
Payments on line of credit	(350,000)	-
Net cash provided by (used in) financing activities	(568,501)	(482,927)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,495)	(86,112)
Cash and Cash Equivalents:		
Beginning of year	412,907	499,019
End of year	\$ 410,412	\$ 412,907
Supplemental Information:		
Cash paid for interest	\$ 34,799	\$ 81,941

See accompanying notes to financial statements.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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. Pursuant to Pennsylvania law, the Diocese exists and operates as a Pennsylvania unincorporated nonprofit association governed by and in accordance with the Code of Canon Law (Canon Law). Substantially all assets of the Diocese are held in trust by the Bishop of the Diocese, pursuant to and in accordance with Pennsylvania law, Canon Law and a certain Roman Catholic Diocese of Greensburg Declaration of Trust (Trust) dated March 1, 2008. The Trust is separate and distinct from the Diocese. The Diocese 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 serves as Bishop of the Diocese, is the successor trustee of the Trust and is individually responsible for the teaching, sanctification, and governance of the Diocese.

These financial statements include activities of, among other entities and civil structures, the Diocese and Trust, including the following:

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

High Schools/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 of Greensburg. 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 in 2020 by an anonymous donor from the local business community who received Catholic education and was profoundly influenced by Saint Pope John Paul II. The original \$2.4 million commitment provided tuition assistance for the 12 Catholic Schools in the Diocese of Greensburg to families that

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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. In the fiscal year ended June 30, 2022, another \$3 million was received for the program. Of this amount, support of \$650,870 and \$402,000 was recognized in the year ended June 30, 2022 by Greensburg Central Catholic Junior-Senior High School and Geibel Catholic Junior-Senior High School, respectively.

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

Pension Accounting Fund – 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. At June 30, 2022, approximately, 70% of the fund's deficit for the lay employees, and approximately 79% of the fund's deficit for the priests is expected to be funded by future parish billings. Diocesan operations will fund the remaining 30% and 21%, respectively. At June 30, 2021, approximately, 68% of the fund's deficit for the lay employees, and approximately 83% of the fund's deficit for the priests was expected to be funded by future parish billings. Diocesan operations would fund the remaining 32% and 17%, respectively.

Parish Bond Fund – This fund accounted for financial transactions for the bonds issued to fund a capital project for an elementary school. The bond has been refinanced by the Catholic Institute and is no longer an outstanding obligation of the Diocese. As of June 30, 2022, there are no remaining net assets.

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.

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.

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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 other institutions distinct from the Diocese are not reflected in this report. All significant balances and transactions between the funds presented in these financial statements have been eliminated.

Basis of Accounting

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

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

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.

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At year-end, and at various times throughout the years, cash balances were maintained in excess of the federally insured limits for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, the amount of this receivable was \$294,645 and \$342,666, respectively. These amounts are recorded as part of other receivables. The fair value of the trust, which consisted of money market funds, was \$294,645 and \$342,666 at June 30, 2022 and 2021, 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.

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. During the fiscal year ended June 30, 2021, the Diocese met the conditions required for forgiveness of its Small Business Administration loan that was received in April 2020 through the federal government's Paycheck Protection Program. Accordingly, the conditional promise to give was recognized as revenue as follows: \$1,083,641 to the

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Current Fund, \$433,670 to Greensburg Central Catholic Junior-Senior High School, and \$174,789 to Geibel Catholic Junior-Senior High School. The amounts are 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 based on calculated rates. The performance obligation of providing benefit coverage is simultaneously received and consumed by the participants; therefore, revenue is recognized as it is received.

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

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.

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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.

Pending Accounting Standards Updates

The Financial Accounting Standards Board has issued updates that will become effective in future years, including ASU 2016-02 (Leases), ASU 2016-13 (Credit Losses), and ASU 2018-14 (Compensation – Retirement Benefits – Defined Benefit Plans: 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.

Reclassification

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

Subsequent Events

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

2. Investments and Investment Income

In accordance with accounting principles generally accepted in the United States of America, debt and equity investments are carried at fair value. Investments at June 30, 2022 and 2021 consisted primarily of fixed income and equity securities, money market and mutual funds held by two investment companies and recorded at fair value of \$11,180,068 and \$12,514,660, respectively.

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

	June 30, 2022	June 30, 2021
Dividend and interest income	\$ 1,306,929	\$ 1,249,994
Net realized and unrealized gains (losses)	<u>(1,119,478)</u>	<u>427,318</u>
Investment and endowment income	<u>\$ 187,451</u>	<u>\$ 1,677,312</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.

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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, Fixed Income Securities, Equities and Other investments: Valued at the actively traded value of shares held 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. This amount is \$0 at June 30, 2022 as the Diocese has ended its participation with the 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. This receivable is \$0 at June 30, 2022 as the parish refinanced its bond with the Catholic Institute and the Diocese is no longer the intermediary.

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, assets at fair value as of June 30, 2022 and 2021:

Assets at Fair Value as of June 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 2,222,592	\$ -	\$ -	\$ 2,222,592
Fixed income	6,773,063	-	-	6,773,063
Equities	1,772,876	-	-	1,772,876
Other investments	355,864	-	-	355,864
Charitable remainder trust receivable	-	-	294,645	294,645
National Catholic Risk Retention Stock	-	55,673	-	55,673
	<u>\$ 11,124,395</u>	<u>\$ 55,673</u>	<u>\$ 294,645</u>	<u>\$ 11,474,713</u>

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>

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 or losses. There were no purchases of level 3 investments during the years ending June 30, 2022 or 2021.

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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 rate was 2.50% beginning July 1, 2020 through June 30, 2022. Interest expense was \$8,719 and \$9,518 for the years ended June 30, 2022 and 2021, respectively. The aggregate payments required for annual periods subsequent to June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 31,847	\$ 11,076
2024	32,980	9,944
2025	34,153	8,771
2026	35,368	7,556
2027	36,625	6,298
2028-2031	<u>160,000</u>	<u>11,694</u>
Total	<u>\$ 330,973</u>	<u>\$ 55,339</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. Principal payments began on July 1, 2019 and end on June 30, 2023. The rate was set to 2.50% beginning July 1, 2020 through June 30, 2022. Interest expense was \$1,808 and \$3,075 during the years ended June 30, 2022 and 2021, respectively. Principal of \$52,229 and interest of \$1,114 will be paid during the final year of the loan.

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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 originally at 3.25%. As of April 1, 2020, interest was set to 0%. The rate reset to 2.50% beginning July 1, 2020 through June 30, 2022. Interest expense was \$1,486 and \$2,106 during the years ended June 30, 2022 and 2021, respectively. Principal payments began on July 1, 2019 and end on June 30, 2023. Principal of \$24,573 and interest of \$468 will be paid during the final year of the loan.

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. 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 \$11,987 and \$14,597 for the years ended June 30, 2022 and 2021, respectively.

The aggregate payments required for annual periods subsequent to June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 108,804	\$ 12,990
2024	112,674	9,120
2025	102,432	4,965
2026	33,378	2,039
2027	34,222	1,195
Thereafter	<u>33,248</u>	<u>335</u>
Total	<u>\$ 424,758</u>	<u>\$ 30,644</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 originally bore interest at 2.75%. As of April 1, 2020, interest was set to 0%. The rate reset to 2.50%

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beginning July 1, 2020. Interest expense was \$3,872 and \$4,834 for the years ended June 30, 2022 and 2021, respectively.

The aggregate payments required for annual periods subsequent to June 30, 2022 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 39,474	\$ 4,043
2024	40,878	2,639
2025	42,332	1,185
2026	<u>10,997</u>	<u>63</u>
Total	<u>\$ 133,681</u>	<u>\$ 7,930</u>

The Diocese obtained a \$2.5 million line of credit during the year ended June 30, 2020 from a local financial institution. The line has a maturity date of December 3, 2022. The line bears interest at the Daily BSBY Rate plus 100 basis points and is secured by pledged collateral having a minimum margin value of at least the outstanding principal balance on the line. The interest rate at June 30, 2022 was 2.61%. At June 30, 2022 and 2021, \$93,086 and \$443,086, respectively, were outstanding on the line. Interest expense was \$9,538 and \$2,049 for the years ended June 30, 2022 and 2021, respectively.

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 rate 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 was 2.75%. Loan repayments from Mother of Sorrows were intended to service the debt obligation on the outstanding Bonds. At June 30, 2021, the Diocese has a recorded receivable in the Parish Bond Fund in the amount of \$3,410,657.

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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 was December 3, 2021. At maturity, the loan was refinanced by Mother of Sorrows with the Catholic Institute of Greensburg, a diocesan entity, and the outstanding bonds were retired. At refinancing of the bonds, the remaining assets in the Bond Fund were distributed. \$100,000 was returned to the parish and the balance was transferred to the Catholic Institute to be applied against the principal balance of the new loan.

Prior to the retirement of the bonds, the Diocese had entered into certain covenants with PNC. One such covenant limited 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 was bound by a liquidity covenant. The Diocese was required to report its compliance with all covenants 150 days subsequent to each year-end. The Diocese was in compliance with the aforementioned debt covenants.

Interest expense for the years ended June 30, 2022 and 2021 was \$18,940 and \$35,744, 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

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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 year 2021, the net interest paid by the Diocese prior to termination was \$26,766.

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 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 (4.05% in fiscal year 2021-2022). 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, 2022:

	<u>Lay Employees</u>	<u>Priests</u>
Actuarial present value of benefit obligations	\$ 33,379,508	\$ 11,376,399
Projected benefit obligation (PBO) for services rendered to date	\$ 33,379,508	\$ 11,376,399
Plan assets at fair value	22,767,992	8,422,029
Accrued pension cost	\$ (10,611,516)	\$ (2,954,370)

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

	<u>Lay Employees</u>	<u>Priests</u>
Prior service cost	\$ -	\$ 697,283
Net loss	<u>9,877,163</u>	<u>3,122,860</u>
	<u>\$ 9,877,163</u>	<u>\$ 3,820,143</u>

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>10,355,404</u>
Accrued pension cost	<u>\$ (13,866,177)</u>	<u>\$ (4,079,925)</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>

The projected benefit obligations (PBO) decreased by approximately \$12.4 million between June 30, 2022 and 2021. The main contributing factor to the change was a result of a \$10.8 million decrease due to an increase in the discount rate. Other smaller changes included updates to the mortality projection scale, updates to census data and the passage of time.

Benefits paid during the years ended June 30, 2022 and 2021 for the Lay Employees Plan were \$2,585,577 and \$2,605,519, respectively. Benefits paid during the years ended June 30, 2022 and 2021 for the Priests Plan were \$853,134 and \$807,358, respectively.

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The preceding tables setting forth the plans' funded status at June 30, 2022 and 2021 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 59% in equity securities, 33% in fixed income investments, and 8% in mutual fund investments and cash equivalents. Plan assets for the Priests Plan at June 30, 2022 include 49% in equity securities, 45% in fixed income investments, and 6% 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 6.35% and 5.90% long-term rates of return on assets assumptions for the Lay and Priest plans for the 2021-2022 fiscal year and 6.75% and 6.20% for the Lay and Priest plans for the 2020-2021 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.

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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Net Diocesan periodic pension cost (credit) included the following components for the year ended June 30, 2022:

	Lay Employees	Priests
Service cost - benefits earned during the year	\$ -	\$ 55,192
Interest cost on projected benefit obligation	835,576	289,535
Net amortization and deferral	410,423	337,806
Expected return on assets	<u>(1,743,607)</u>	<u>(585,409)</u>
Net periodic pension cost (credit)	(497,608)	97,124
Less: amounts attributable to parishes	<u>348,326</u>	<u>(76,728)</u>
Net Diocesan Pension Cost (Credit)	<u>\$ (149,282)</u>	<u>\$ 20,396</u>

Net Diocesan periodic pension cost 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>

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

	<u>2022</u>	<u>2021</u>
Rate of increase in future compensation levels (Lay Employees Plan only)	N/A	N/A
Weighted-average discount rate	4.8%	2.7%

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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:

Period from:	Lay	
	Employees	Priests
July 1, 2022 to June 30, 2023	\$ 2,657,878	\$ 852,770
July 1, 2023 to June 30, 2024	2,655,552	858,764
July 1, 2024 to June 30, 2025	2,652,140	871,150
July 1, 2025 to June 30, 2026	2,616,316	872,729
July 1, 2026 to June 30, 2027	2,575,658	861,663
Next five years	12,158,849	4,040,371

Employer contributions paid during the fiscal years ended June 30, 2022 and 2021 for the Lay Employees' pension plan were \$668,760 and \$595,324, respectively. Employer contributions paid during the fiscal years ended June 30, 2022 and 2021 for the Priests pension plan were \$173,735 and \$102,124, 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, 2023 are \$670,000 and \$178,000, respectively.

The measurement date used to determine pension and other postretirement benefit measurements was June 30, 2022.

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, 2022 and 2021, expenses for this part of the plan were \$189,312 and \$183,588, 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 DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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

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

For the years ended June 30, 2022 and 2021, expenses for this part of the plan were \$200,439 and \$198,311, respectively.

Other Postretirement Benefits

The Diocese also provides other postretirement benefits to its priests upon their retirement. These benefits include health care coverage and disability benefits. As allowed 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, 2022 and 2021.

Accumulated postretirement benefit obligations (APBO):

	<u>2022</u>	<u>2021</u>
Retirees	\$ (1,815,085)	\$ (2,110,680)
Fully eligible active participants	(1,132,075)	(1,449,606)
Other active participants	<u>(709,838)</u>	<u>(1,131,643)</u>
Benefit obligations	(3,656,998)	(4,691,929)
Plan assets at fair value	<u>10,622,535</u>	<u>12,673,784</u>
Net postretirement asset	<u>\$ 6,965,537</u>	<u>\$ 7,981,855</u>
Prior service cost	\$ -	\$ -
Unrecognized net (gain) loss	<u>(2,667,091)</u>	<u>(4,856,917)</u>
Total not yet recognized in net periodic benefit cost (credit)	<u>\$ (2,667,091)</u>	<u>\$ (4,856,917)</u>

Postretirement benefit plan assets are held in the Catholic Foundation's managed balanced portfolios at June 30, 2022 and 2021. At June 30, 2022, the portfolios included 69% in

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

equity securities, 25% in fixed income investments, and 6% in mutual fund investments and cash equivalents. 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. 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 4.76% at June 30, 2022 and 2.8% at June 30, 2021.

Net Diocesan postretirement benefit expense included the following components for the years ended June 30, 2022 and 2021:

	2022	2021
Service cost	\$ 53,389	\$ 66,882
Interest cost	105,541	111,919
Expected return on plan assets	(823,796)	(695,167)
Net amortization and deferral	(295,679)	(178,112)
Net periodic benefit cost (credit)	(960,545)	(694,478)
Less: amounts billed to parishes	848,353	620,250
	<u>\$ (112,192)</u>	<u>\$ (74,228)</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 2022 and is assumed to decrease to 4.0% by 2045 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported.

7. Diocesan Insurance Program

Through its insurance program, the Diocese seeks to minimize its insurance costs through central administration, self-insurance of property and liability claims and placement of insurance coverage. The pro rata share of the cost of coverage through self-insurance and the cost of insurance premiums are billed to parishes and other participating Diocesan organizations. As of June 30, 2022 and 2021, the Diocese has accrued \$2,160,827 and \$2,133,848, respectively, in claims that were incurred prior to the end of the fiscal year, but were not paid. The Diocese is actively defending these claims with their legal counsel, and any potential costs would be paid from the Self-Insurance fund.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

8. Net Assets With Donor Restrictions

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

	June 30, 2022	June 30, 2021
Diocesan Lenten Appeal contributions for periods after June 30 (time restricted)	\$ 3,541,815	\$ 3,443,216
High Schools (use restricted)	433,214	386,852
Department of Education (use restricted)	231,110	216,004
Permanent Diaconate Program (use restricted)	28,718	-
Plant Fund (use restricted)	47,235	75,935
Diocesan Heritage Center (use restricted)	53,528	51,270
Pro Life (use restricted)	400	200
	<u>\$ 4,336,020</u>	<u>\$ 4,173,477</u>

9. Net Assets Released from Restrictions

Net assets of \$4,078,270 and \$3,774,687 were released from donor restrictions during the fiscal years ended June 30, 2022 and 2021, respectively, by incurring expenses satisfying the restricted purpose of \$635,054 and \$480,359, respectively, or the lapsing of a time restriction of \$3,443,216 and \$3,294,328, 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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

10. Net Assets Without Donor Restrictions

Designated net assets are outlined in the following table:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current Fund:		
Charitable contributions	\$ 170,521	\$ 148,939
Diocesan Poverty Relief Fund	84,253	85,005
Government school programs	6,794	7,550
General use of the Diocese	20,000	20,000
Societies of the Diocese	12,309	10,823
Permanent diaconate program	-	7,500
Vocations program	7,000	7,000
Fayette Room	12,500	5,000
Faith Formation and Discipleship program	35,702	35,703
Worship and word program	2,257	2,257
	<u>\$ 351,336</u>	<u>\$ 329,777</u>
High Schools/Tuition Assistance Programs:		
Tuition assistance designated	<u>\$ 23,539</u>	<u>\$ 23,412</u>
Self-Insurance Fund	<u>\$ 931,985</u>	<u>\$ 515,629</u>
Plant Fund - fixed assets	<u>\$ 15,993,721</u>	<u>\$ 15,571,953</u>
Agency Fund - Mission Cooperative Plan	<u>\$ 130,495</u>	<u>\$ 67,650</u>

11. Expenses

The Diocese provides administrative services to parishes and schools of the Diocese of Greensburg. Expenses on a functional and natural basis are as follows for the year ended June 30, 2022:

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

	Program	General and Administrative	Fundraising	Total
Insurance claims and settlements expense	\$ 10,432,380	\$ 258,967	\$ -	\$ 10,691,347
Compensation and benefits	2,694,306	2,148,286	130,213	4,972,805
Evangelization expenses	1,309,559	-	-	1,309,559
Ministry expenses	744,349	-	-	744,349
Office expenses	529,442	695,956	232,347	1,457,745
Occupancy	502,324	51,509	6,132	559,965
Interest expense	34,799	9,538	-	44,337
Depreciation expense	863,610	176,076	-	1,039,686
Educational services:				
Compensation and benefits	4,305,026	-	-	4,305,026
Operation and maintenance	657,177	-	-	657,177
Tuition assistance	4,011,016	-	-	4,011,016
Other operating costs	2,024,099	-	-	2,024,099
Total educational services	10,997,318	-	-	10,997,318
Total	\$ 28,108,087	\$ 3,340,332	\$ 368,692	\$ 31,817,111

Expenses on a functional and natural basis are as follows for the year ended June 30, 2021:

	Program	General and Administrative	Fundraising	Total
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	1,333,164	-	-	1,333,164
Total educational services	10,669,577	-	-	10,669,577
Total	\$ 28,445,022	\$ 3,113,532	\$ 415,950	\$ 31,974,504

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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, among other places, The Catholic Foundation (the Foundation) which consist of both donor-restricted endowments and funds designated by the Bishop as endowments. These endowments are subject to the Total Return Spending Policy of the Foundation. Under this policy, 4.6% 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.

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.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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:

	<u>2022</u>	<u>2021</u>
Total assets, at year-end	\$ 41,842,251	\$ 49,906,364
Capital assets, net	(15,218,279)	(15,681,961)
Assets designated for OPEB benefits	(10,622,535)	(12,673,784)
Parish bond fund receivable	-	(3,410,657)
Parish receivables in arrears	(795,249)	(793,765)
Funds held on behalf of others	-	(1,012,343)
Prepays and other assets	(185,219)	(194,415)
Receivables not expected in one year	(1,345,974)	(1,973,528)
Board-designated net assets	(2,212,797)	(975,931)
Net assets restricted by donor with purpose restrictions	<u>(794,205)</u>	<u>(730,261)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,667,993</u>	<u>\$ 12,459,719</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, 2022, the Initiative has resulted in settlements with 84 survivors totaling \$8,218,218, with other catholic institutions contributing \$676,067 toward those settlements, and insurance reimbursement in the amount of \$750,000 from The National Catholic Risk Retention Group, which is the Diocese's excess liability insurance carrier. The balance of the settlements have been funded by the Self-Insurance Fund (57%), Plant Fund (7%), and Current Fund (36%). The Diocese has also incurred \$17,955 in counseling fees and \$204,062 in fees paid to CMCI to administer the Program.

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Last calendar 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 were voluntarily discontinued or abandoned, with one of those cases being settled as part of the Initiative.

Management is aware that there could be potential legislation brought forward by the Commonwealth of Pennsylvania in 2023 to amend the Constitution regarding the Statute of Limitations for claims of child sexual abuse. At this time, the Diocese is unable to determine the ultimate outcome of potential future actions in connection with this possible change to the Constitution. No material amounts have been recorded for settlement of these matters, as the potential financial impact on the Diocese is not presently determinable. However, it is possible that the ultimate resolution of these matters could have a material adverse impact on the Diocese's results of operations, liquidity and financial position. In addition, it is possible that the ultimate number of actions against the Diocese could increase from those presently known.

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

SUPPLEMENTARY INFORMATION

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Diocesan Billings and Assessments:		
Diocesan assessment	\$ 2,692,618	\$ 2,682,718
Accent assessment	562,773	572,659
Education and Spiritual Formation	42,789	7,666
Total Diocesan billings and assessments	3,298,180	3,263,043
Contributions/Grants:		
Diocesan Lenten Appeal	3,520,282	3,428,870
Seminarian and clergy formation collection	277,195	222,054
Donations and bequests	14,562	37,002
SBA PPP loan	-	1,083,641
Lay ministry education programs	125,127	154,968
Total contributions/grants	3,937,166	4,926,535
Investment and Endowment Income:		
Current Fund investments	(423,222)	480,140
Endowment Fund income for education of priests and lay ministers	419,078	340,607
Endowment Fund income for evangelization and faith formation	283,538	198,999
Total investment and endowment income	279,394	1,019,746
Auxiliary Services:		
Income derived from utilization of the Christ Our Shepherd Center	926,060	857,535
Other Revenues:		
Hospital ministry	534,978	522,260
Management fees	316,157	276,903
Government programs	431,507	362,593
Neumann House residence fees	162,253	131,138
Advertising and subscription revenues	203,478	151,663
Dispensations	595	1,225
Communication media collection	9,084	18,348
Other	344,808	303,730
Rents and royalties	2,330	213
Total other revenues	2,005,190	1,768,073
Other Diocesan Programs:		
Retained portion of external collections	36,157	30,025
Diocesan Poverty Relief Fund	35,448	46,322
Total other Diocesan programs	71,605	76,347
Total Current Fund Revenues and Other Support - Without Donor Restrictions	\$ 10,517,595	\$ 11,911,279

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Education:		
Education and Spiritual Formation	\$ 970,381	\$ 907,265
Secondary education contribution to tuition assistance fund	475,000	475,000
Elementary education contribution to tuition assistance fund	145,000	145,000
Government programs	432,263	362,892
Total education	2,022,644	1,890,157
Auxiliary Services:		
Operation and maintenance of the Christ Our Shepherd Center	800,742	719,009
Pastoral:		
Hospital ministries	560,115	527,690
Retired, sick, and unassigned priests	484,034	464,379
General diocesan administration	400,079	515,905
Matrimonial office	165,335	205,599
Special events	46,690	131,235
Operations - Neumann House	367,318	347,646
Curator / archives	1,742	849
Future parish sites maintenance	6,414	6,158
Cursillo movement/charismatic renewal	11,403	6,363
Diocesan cemeteries office	1,057	964
Lay pension actuarial adjustment	(344,844)	(182,096)
Total pastoral	1,699,343	2,024,692
Social Services:		
Catholic Charities subsidy	378,250	378,250
Diocesan Council of Catholic Women	7,929	9,961
Other programs	4,379	7,604
Total social services	390,558	395,815

(Continued)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

SCHEDULES OF CURRENT FUND EXPENSES WITHOUT DONOR RESTRICTIONS

YEARS ENDED JUNE 30, 2022 AND 2021
(Continued)

	2022	2021
Diocesan Administrative Offices:		
Communications & Evangelization office	1,309,559	1,252,187
Information technology office	947,267	786,967
Finance office	784,753	740,879
Development office	322,002	284,715
Bishop's office	229,829	211,997
Bishops' residence	231,431	141,685
Engineering and Facilities Management office	219,787	212,186
Vicar General's office	141,894	133,883
Permanent Diaconate office	57,902	64,874
Chancellor and Human Resources office	103,613	122,563
Services and Facilities office	4,432	3,479
Retired Bishop's office and residence	129,397	122,422
Total Diocesan administrative offices	4,481,866	4,077,837
Religious Personnel Development:		
Vocation program office	497,857	370,023
International priests program	143,104	98,355
Total religious personnel development	640,961	468,378
Other Diocesan Programs:		
Donations	50,775	51,807
Total Current Fund Expenses and Losses - Without Donor Restrictions	\$ 10,086,889	\$ 9,627,695

(Concluded)

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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

JUNE 30, 2022 AND 2021

	2022				2021			
	Central Catholic	Geibel Catholic	Tuition Assistance	Total	Central Catholic	Geibel Catholic	Tuition Assistance	Total
Assets								
Temporary investments and deposits	\$ 164,088	\$ 191,776	\$ -	\$ 355,864	\$ 152,148	\$ 190,740	\$ -	\$ 342,888
Student activity accounts	270,374	54,262	-	324,636	249,227	53,471	-	302,698
Tuition receivable	160,708	207,041	-	367,749	171,678	135,388	-	307,066
Less: allowance for doubtful accounts	(113,484)	(118,116)	-	(231,600)	(126,081)	(102,020)	-	(228,101)
Other receivables	36,936	-	-	36,936	39,102	-	-	39,102
Computer equipment	50,824	23,911	-	74,735	101,648	47,823	-	149,471
Due from other funds	419,025	221,077	282,409	922,511	-	377,686	-	377,686
Total Assets	\$ 988,471	\$ 579,951	\$ 282,409	\$ 1,850,831	\$ 587,722	\$ 703,088	\$ -	\$ 1,290,810
Liabilities and Net Assets								
Liabilities:								
Catholic Institute loan payable	\$ 383,202	\$ 24,573	\$ -	\$ 407,775	\$ 466,965	\$ 48,694	\$ -	\$ 515,659
Funds held in escrow for others	270,374	54,262	-	324,636	249,227	53,471	-	302,698
Accrued expenses	234,159	25,834	-	259,993	172,996	29,686	-	202,682
Due to other funds	-	-	-	-	3,367	-	122,429	125,796
Total Liabilities	887,735	104,669	-	992,404	892,555	131,851	122,429	1,146,835
Net Assets:								
Without Donor Restrictions:								
Undesignated	(99,935)	265,867	235,742	401,674	(473,322)	362,056	(155,023)	(266,289)
Designated	-	23,539	-	23,539	-	23,412	-	23,412
Total Without Donor Restrictions	(99,935)	289,406	235,742	425,213	(473,322)	385,468	(155,023)	(242,877)
With Donor Restrictions	200,671	185,876	46,667	433,214	168,489	185,769	32,594	386,852
Total Net Assets	100,736	475,282	282,409	858,427	(304,833)	571,237	(122,429)	143,975
Total Liabilities and Net Assets	\$ 988,471	\$ 579,951	\$ 282,409	\$ 1,850,831	\$ 587,722	\$ 703,088	\$ -	\$ 1,290,810

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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

YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Central Catholic	Geibel Catholic	Tuition Assistance	Combined	Central Catholic	Geibel Catholic	Tuition Assistance	Combined
Revenues:								
Tuition	\$ 1,871,868	\$ 495,121	\$ -	\$ 2,366,989	\$ 1,860,391	\$ 370,548	\$ -	\$ 2,230,939
Parish subsidy	857,068	401,931	-	1,258,999	860,940	379,649	-	1,240,589
Diocesan subsidy	262,054	251,032	620,000	1,133,086	258,620	247,054	620,000	1,125,674
Athletic income	42,977	4,244	-	47,221	24,665	3,765	-	28,430
Development and other	1,684,990	799,743	-	2,484,733	1,750,684	1,043,396	-	2,794,080
Education assessment	-	-	4,114,376	4,114,376	-	-	4,184,518	4,184,518
Endowment income	-	-	426,197	426,197	-	-	355,334	355,334
Total revenues	4,718,957	1,952,071	5,160,573	11,831,601	4,755,300	2,044,412	5,159,852	11,959,564
Expenses:								
Instruction	2,291,542	956,394	-	3,247,936	2,153,193	923,795	-	3,076,988
Operation and maintenance	525,897	256,691	-	782,588	529,516	291,208	-	820,724
Student body activities	410,246	164,440	-	574,686	346,026	80,800	-	426,826
Administrative	716,888	348,298	283,792	1,348,978	722,701	349,611	309,682	1,381,994
Transportation service	207,900	116,747	-	324,647	164,690	155,430	-	320,120
Tuition assistance	-	-	4,486,016	4,486,016	-	-	4,556,891	4,556,891
Cafeteria	-	104,016	-	104,016	-	100,567	-	100,567
Depreciation expense	50,824	23,912	-	74,736	-	-	-	-
Other	59,897	2,386	-	62,283	102,241	25,398	-	127,639
Total expenses	4,263,194	1,972,884	4,769,808	11,005,886	4,018,367	1,926,809	4,866,573	10,811,749
Other Changes in Net Assets Without Donor Restrictions:								
Transfers to Plant Fund	(82,376)	(75,249)	-	(157,625)	(150,573)	(42,500)	-	(193,073)
Change in Net Assets Without Donor Restrictions	373,387	(96,062)	390,765	668,090	586,360	75,103	293,279	954,742
Net Assets With Donor Restrictions:								
Grants/contributions	66,194	59,885	67,354	193,433	40,209	46,294	57,271	143,774
Net assets released from restrictions	(34,012)	(59,778)	(53,281)	(147,071)	(35,759)	(25,304)	(49,500)	(110,563)
Change in Net Assets With Donor Restrictions	32,182	107	14,073	46,362	4,450	20,990	7,771	33,211
Change in Net Assets	405,569	(95,955)	404,838	714,452	590,810	96,093	301,050	987,953
Net Assets (Deficits):								
Beginning of year	(304,833)	571,237	(122,429)	143,975	(895,643)	475,144	(423,479)	(843,978)
End of year	\$ 100,736	\$ 475,282	\$ 282,409	\$ 858,427	\$ (304,833)	\$ 571,237	\$ (122,429)	\$ 143,975

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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

JUNE 30, 2022 AND 2021

<u>Assets</u>	2022			2021		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Cash and cash equivalents	\$ 11,462	\$ -	\$ 11,462	\$ -	\$ -	\$ -
Temporary investments and deposits	356,771	-	356,771	249,826	-	249,826
Due from other funds	-	20,428	20,428	-	102,607	102,607
Total Assets	\$ 368,233	\$ 20,428	\$ 388,661	\$ 249,826	\$ 102,607	\$ 352,433
Liabilities and Net Assets						
<u>Liabilities:</u>						
Funds held in escrow for others	\$ 157,824	\$ 20,428	\$ 178,252	\$ 140,007	\$ 102,607	\$ 242,614
Due to other funds	79,914	-	79,914	42,169	-	42,169
Total Liabilities	237,738	20,428	258,166	182,176	102,607	284,783
<u>Net Assets:</u>						
Without donor restrictions - designated	130,495	-	130,495	67,650	-	67,650
Total Net Assets	130,495	-	130,495	67,650	-	67,650
Total Liabilities and Net Assets	\$ 368,233	\$ 20,428	\$ 388,661	\$ 249,826	\$ 102,607	\$ 352,433

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

COMBINING SCHEDULES OF DIOCESAN AGENCY FUNDS REVENUES AND EXPENSES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Mission Fund	Custodian Fund	Total	Mission Fund	Custodian Fund	Total
Revenues:						
Contributions/grants	\$ 143,097	\$ -	\$ 143,097	\$ -	\$ -	\$ -
Investment and endowment income	(26,552)	-	(26,552)	17,715	-	17,715
Other revenues	105,272	-	105,272	83,063	-	83,063
Total revenues	<u>221,817</u>	<u>-</u>	<u>221,817</u>	<u>100,778</u>	<u>-</u>	<u>100,778</u>
Expenses:						
Pastoral	51,478	-	51,478	6,025	-	6,025
Diocesan administrative offices	97,894	-	97,894	108,955	-	108,955
Total expenses	<u>149,372</u>	<u>-</u>	<u>149,372</u>	<u>114,980</u>	<u>-</u>	<u>114,980</u>
Change in Net Assets Without Donor Restrictions	<u>72,445</u>	<u>-</u>	<u>72,445</u>	<u>(14,202)</u>	<u>-</u>	<u>(14,202)</u>
Other Changes in Net Assets Without Donor Restrictions:						
Transfer to other diocesan entities	(9,600)	-	(9,600)	-	-	-
Change in Net Assets Without Donor Restrictions	<u>(9,600)</u>	<u>-</u>	<u>(9,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	62,845	-	62,845	(14,202)	-	(14,202)
Net Assets:						
Beginning of year	67,650	-	67,650	81,852	-	81,852
End of year	<u>\$ 130,495</u>	<u>\$ -</u>	<u>\$ 130,495</u>	<u>\$ 67,650</u>	<u>\$ -</u>	<u>\$ 67,650</u>

THE DIOCESE OF GREENSBURG, PENNSYLVANIA

CUSTODIAN FUND SCHEDULES OF ADDITIONS AND DEDUCTIONS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Additions:		
Diocesan Lenten Appeal	\$ 5,804,795	\$ 5,543,790
Flood/tornado relief	49,830	-
Children and family services	99,241	96,221
Support for retired priests and religious	71,913	67,640
Seminarian and clergy formation	291,784	233,741
Diocesan Poverty Relief Fund	54,967	50,385
Peter's pence	39,784	49,435
Holy Land	54,884	50,371
Disaster relief	10,000	19,077
Communications media	22,932	28,515
Catholic University and education	28,654	23,905
Poland special collection	677	526
Archdiocese for Military Services	-	424
Benedictine Annual Appeal	33,405	14,673
Relief for Ukraine	18,771	-
National Catholic Youth Convention	128,045	68,749
Total additions	6,709,682	6,247,452
Deductions:		
Contribution income for Current Fund	3,886,310	3,812,416
Diocesan Lenten Appeal payments to parishes	2,195,680	1,953,428
Flood/tornado relief	49,830	-
Contribution income for Catholic Charities	94,279	91,410
Support for retired priests and religious	68,584	64,309
Holy Land	50,283	48,801
Peter's pence	38,834	46,708
External collections transferred to Current Fund - designated	35,207	30,005
Disaster relief	10,000	19,077
Diocesan Poverty Relief Fund	53,111	47,955
Catholic University and education	27,140	22,854
Communications media	21,061	27,071
Poland special collection	643	500
Archdiocese for Military Services	-	400
Benedictine Annual Appeal	31,905	13,769
Relief for Ukraine	18,771	-
National Catholic Youth Convention	128,045	68,749
Total deductions	6,709,682	6,247,452
Change in Net Assets	-	-
Net Assets:		
Beginning of year	-	-
End of year	\$ -	\$ -