

**CATHOLIC CHARITIES OF THE
DIOCESE OF GREENSBURG, PENNSYLVANIA**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

WITH

INDEPENDENT AUDITOR'S REPORT



MaherDuessel

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CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2024 AND 2023

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Independent Auditor's Report

Board of Trustees

Catholic Charities of the Diocese of Greensburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Catholic Charities of the Diocese of Greensburg, Pennsylvania (Catholic Charities), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, 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 Catholic Charities as of June 30, 2024 and 2023, 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 Catholic Charities, 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 Catholic Charities' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Catholic Charities' 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 Catholic Charities' ability to continue as a going concern for a reasonable period of time.

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

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2024

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
Assets		
<hr/>		
Current assets:		
Cash and cash equivalents in bank and on deposit:		
Checking	\$ 42,427	\$ 106,627
Money market funds	1,348,861	1,181,379
The Catholic Institute of Greensburg, Pennsylvania	45,939	45,160
	<u>1,437,227</u>	<u>1,333,166</u>
Total cash and cash equivalents in bank and on deposit		
Receivables:		
Due from contracted agencies	11,874	10,248
Investments:		
Certificate of deposit pledged	1,500	1,500
Due from other Diocesan entities	126	20,940
	<u>1,450,727</u>	<u>1,365,854</u>
Total current assets		
Noncurrent assets:		
Property, plant, and equipment:		
Equipment, furnishing, and improvements	320,250	320,250
Less accumulated depreciation	320,250	320,250
	<u>-</u>	<u>-</u>
Property, plant, and equipment - net		
	<u>\$ 1,450,727</u>	<u>\$ 1,365,854</u>
Total Assets		
<hr/>		
Liabilities and Net Assets		
<hr/>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 62,389	\$ 50,484
	<u>62,389</u>	<u>50,484</u>
Total current liabilities		
Net Assets:		
Without donor restrictions:		
Undesignated	814,928	810,690
Designated	370,122	369,588
	<u>1,185,050</u>	<u>1,180,278</u>
Total without donor restrictions		
With donor restrictions - purpose restrictions	203,288	135,092
	<u>1,388,338</u>	<u>1,315,370</u>
Total Net Assets		
	<u>\$ 1,450,727</u>	<u>\$ 1,365,854</u>
Total Liabilities and Net Assets		

See accompanying notes to financial statements.

**CATHOLIC CHARITIES OF THE
DIOCESE OF GREENSBURG, PENNSYLVANIA**

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Support and Revenues:		
Support:		
Diocese of Greensburg, Pennsylvania	\$ 378,250	\$ 378,251
United Way organizations	74,794	80,054
Family and Children Services Collection	110,631	101,268
Contributions and gifts	95,783	116,576
Total support	659,458	676,149
Revenues:		
Program service revenue:		
Counseling services	102,797	28,823
Pregnancy services	149	949
Special events, net of expense of \$104,251 and \$115,905, respectively	139,891	141,351
Investment and endowment income	253,096	213,902
Total revenues	495,933	385,025
Released from restrictions	164,183	194,608
	660,116	579,633
Total support and revenues	1,319,574	1,255,782
Expenses:		
Programs	990,477	773,680
Management and general	204,875	180,011
Fundraising	94,450	96,018
Total expenses	1,289,802	1,049,709
Transfer to other Diocesan entities	25,000	36,701
Change in net assets without donor restrictions	4,772	169,372
NET ASSETS WITH DONOR RESTRICTIONS:		
Revenues:		
Contributions	232,379	197,189
Net assets released from restrictions	(164,183)	(194,608)
Change in net assets with donor restrictions	68,196	2,581
Change in Net Assets	72,968	171,953
Net Assets:		
Beginning of year	1,315,370	1,143,417
End of year	\$ 1,388,338	\$ 1,315,370

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Programs				Management and General	Fundraising	Total
	Counseling	Information and Referral	Pregnancy	Total			
Assistance to individuals	\$ 785	\$ 302,932	\$ 1,000	\$ 304,717	\$ -	\$ -	\$ 304,717
Salaries and wages	253,159	173,194	-	426,353	142,017	55,344	623,714
Pension and 403(b)	10,805	19,142	-	29,947	8,746	7,101	45,794
Other employee benefits	31,002	64,029	-	95,031	25,378	12,081	132,490
Payroll taxes	14,030	11,991	-	26,021	11,313	4,105	41,439
Accounting	875	1,586	453	2,914	453	250	3,617
Other fees	7,322	7,647	3,656	18,625	2,433	2,092	23,150
Office expenses	5,601	5,294	284	11,179	4,068	4,225	19,472
Information technology	6,475	6,475	1,862	14,812	1,862	1,862	18,536
Occupancy	18,029	18,029	5,151	41,209	5,151	5,151	51,511
Travel	539	993	82	1,614	554	82	2,250
Conferences and meetings	659	1,461	189	2,309	932	189	3,430
Insurance	6,889	6,889	1,968	15,746	1,968	1,968	19,682
Total expenses	<u>\$ 356,170</u>	<u>\$ 619,662</u>	<u>\$ 14,645</u>	<u>\$ 990,477</u>	<u>\$ 204,875</u>	<u>\$ 94,450</u>	<u>\$ 1,289,802</u>

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Programs				Management and General	Fundraising	Total
	Counseling	Information and Referral	Pregnancy	Total			
Assistance to individuals	\$ 684	\$ 255,795	\$ 46,730	\$ 303,209	\$ -	\$ -	\$ 303,209
Salaries and wages	99,697	138,818	14,202	252,717	124,648	56,145	433,510
Pension and 403(b)	6,923	15,284	672	22,879	5,512	6,071	34,462
Other employee benefits	21,454	38,244	15	59,713	19,116	10,787	89,616
Payroll taxes	7,245	10,001	1,086	18,332	10,204	4,172	32,708
Accounting	804	804	230	1,838	230	230	2,298
Other fees	11,463	11,139	2,815	25,417	3,557	2,815	31,789
Office expenses	6,887	7,226	2,791	16,904	4,847	6,653	28,404
Information technology	6,685	6,685	1,914	15,284	1,914	1,928	19,126
Occupancy	16,746	16,746	4,784	38,276	4,784	4,784	47,844
Travel	16	390	343	749	2,335	-	3,084
Conferences and meetings	1,075	1,061	193	2,329	861	430	3,620
Insurance	7,015	7,015	2,003	16,033	2,003	2,003	20,039
Total expenses	\$ 186,694	\$ 509,208	\$ 77,778	\$ 773,680	\$ 180,011	\$ 96,018	\$ 1,049,709

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Change in net assets	\$ 72,968	\$ 171,953
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	(1,626)	2,548
Accounts payable and accrued expenses	11,905	15,393
Due to other Diocesan entities	-	(8,516)
Total adjustments	10,279	9,425
Net cash provided by (used in) by operating activities	83,247	181,378
Cash Flows From Investing Activities:		
Decrease (increase) in due from other Diocesan entities	20,814	(20,940)
Net Increase (Decrease) in Cash and Cash Equivalents	104,061	160,438
Cash and Cash Equivalents:		
Beginning of year	1,333,166	1,172,728
End of year	\$ 1,437,227	\$ 1,333,166

See accompanying notes to financial statements.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Organization

Catholic Charities of the Diocese of Greensburg, Pennsylvania (Catholic Charities) is a not-for-profit, tax-exempt corporation incorporated under the laws of the Commonwealth of Pennsylvania on August 27, 1954. Catholic Charities provides a broad spectrum of counseling services and family life services to all residents of the Diocese of Greensburg (Diocese).

Catholic Charities, rooted in the Gospel and social teachings of the Church, is the primary social service agency of the Diocese. Its mission is to serve the human needs of individuals and families, regardless of their religious affiliation, and to provide leadership in building collaborative efforts with parishes and communities in addressing these needs.

The goal of Catholic Charities is to apply the Gospel command to love to the social systems, structures, and institutions of society. Catholic Charities exists to assist the Bishop in his work of protecting and supporting the dignity of the human person. Guided by the rich tradition of the Roman Catholic Church's social teachings, Catholic Charities is called upon to be a beacon to society in God's name by identifying social as well as spiritual needs within the community and demonstrating the appropriate Christian response.

Social issues and needs are addressed through advocacy, convening, and direct service. This models the approach adopted by Catholic Charities USA at the national level. Any social concern or issue that comes to the attention of the Diocese can be addressed in one or all of these areas.

In order to function effectively in this changing social environment, Catholic Charities will convene groups around emerging social concerns, advocacy for change, empowering others to help themselves, and where necessary, providing direct services to the needy.

As a not-for-profit corporation, Catholic Charities relies on grants from various organizations. A significant concentration of total support and revenues without donor restrictions for the years ended June 30, 2024 and 2023, respectively, was provided by the Diocese, at 29% and 30%.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Basis of Accounting

The financial statements of Catholic Charities include the accounts of its administrative offices and affiliated offices from the various locations within the four counties of the Diocese. The financial statements are prepared using the accrual basis of accounting. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

Allowance for Credit Losses

The allowance for credit losses estimate is derived from a review of Catholic Charities' historical losses based on the aging of accounts receivable. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by Catholic Charities. Management of the Catholic Charities holds the opinion that all accounts receivable are materially collectible. Accordingly, no allowance for credit losses is included in the financial statements.

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

Equipment

Fixed assets are stated at historical cost. Depreciation of office furnishings is provided over the estimated useful lives of the respective assets on a straight-line basis.

Accounting for Net Assets

Catholic Charities reports unconditional contributions as without donor restrictions unless the donor explicitly stipulates when or how the donated assets must be used. Gifts of such assets with explicit donor restrictions that specify when or how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Catholic Charities reports expirations of

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

donor restrictions when the donated or acquired long-lived assets are placed in service. Donor restrictions that are satisfied result in net assets with donor restrictions being reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

A portion of the net assets without donor restrictions of Catholic Charities is designated by its Board of Trustees as outlined in the following table:

	2024	2023
Special programs for material assistance	\$ 225,995	\$ 238,013
Unemployment fund	51,956	51,177
Ministry for seniors	92,171	80,398
	\$ 370,122	\$ 369,588

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

	2024	2023
Rosemarie Fund	\$ 88,896	\$ 74,282
Pregnancy programs	14,773	8,428
Disaster Relief	10,330	4,330
Counseling program	10,322	10,024
Fuel funds	1,007	-
Penn State United Way	4,411	10,000
Refugee Relief Fund	55,691	-
Ministry for seniors	3,358	-
COVID-19 Relief	14,500	28,028
	\$ 203,288	\$ 135,092

Revenue and Revenue Recognition

Contributions consist of cash, securities or other assets, unconditional promises to give, or notifications of beneficial interest received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

the conditions on which they depend have been substantially met. There were no conditional promises to give at June 30, 2024 and 2023.

Program service revenues from counseling and pregnancy services are reported at the amount that reflects the consideration to which Catholic Charities expects to be entitled in exchange for providing services. Revenue is recognized as the performance obligations are satisfied when the services are provided. Catholic Charities does not believe it is required to provide additional services related to the revenue being recognized. Catholic Charities determines the transaction price based on a negotiated rate per unit of service. Opening and closing contract receivables for the year ended June 30, 2024 were \$10,248 and \$11,874, respectively. Opening and closing contract receivables for the year ended June 30, 2023 were \$12,796 and \$10,248, respectively.

Statements of Cash Flows

Cash and cash equivalents include currency on hand and demand deposits with financial institutions and short-term, highly liquid investments whose maturity is one year or less at the time of purchase.

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, 2024 and 2023. The deposits were held at various financial institutions. The solvency of the financial institutions is monitored by management and is not a concern at this time.

Income Taxes

Catholic Charities 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 accounting principles generally accepted in the United States of America, Catholic Charities accounts for uncertain tax positions, if any, as required.

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

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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.

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.

Adopted Accounting Standard

The provisions of this Standard Update have been adopted and incorporated into these financial statements:

ASU 2016-13, *“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.”* These amendments and related amendments require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

2. Unemployment Benefits

Catholic Charities has elected to self-insure unemployment compensation benefits. Catholic Charities was required to assign all right, title, and interest in the certificate of deposit pledged to the Pennsylvania Unemployment Compensation Fund as security for any unpaid tax obligation.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

3. Pension Benefits

Catholic Charities participates in the defined benefit pension plan (Plan) provided to employees by the Diocese. The Plan was available to full-time employees who had completed at least two years of service. Annual pension expense paid to the Diocese amounted to \$15,471 and \$20,493 for the years ended June 30, 2024 and 2023, respectively.

As of July 1, 2015, the Diocese froze the Plan described above and enacted a significant enhancement to its existing 403(b) defined contribution plan. The new plan has the same eligibility requirements as the Plan above, but the defined contribution will be based on a combination of the employee's age plus years of service, as calculated each July 1.

Each year of the employee's age for the 403(b) plan is equal to one point, as is each year of service. Employees with less than 55 total points will receive a contribution of 2% of their pay into the plan. Employees with 55 – 79 points will receive a contribution of 4% of their pay. Employees with 80 and over points will receive a contribution of 6% of their pay. Annual expense paid to the Diocese amounted to \$10,887 and \$10,010 for the years ended June 30, 2024 and 2023, respectively.

4. Related Party Transactions

Due to their affiliation with the Diocese, Catholic Charities receives financial and management support. Although Catholic Charities pays its utilities and an allocation for maintenance and insurance, rent is not charged for office space provided by the Diocese.

The amounts due from the Diocese at June 30, 2024 and 2023 were \$126 and \$20,940, respectively.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

5. Fundraising Events

Catholic Charities schedules several events during the year for fundraising purposes. Fundraising events are detailed as follows for the years ended June 30:

	June 30,	
	2024	2023
The Communities of Salt and Light Dinner	\$ 150,066	\$ 174,275
Golf Event	59,742	56,816
Purse Bash	25,064	17,406
Other events	9,270	8,759
	<u>244,142</u>	<u>257,256</u>
Less cost of events	104,251	115,905
Total	<u>\$ 139,891</u>	<u>\$ 141,351</u>

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 Catholic Charities is a separate corporate entity, its assets would not be subject to the reach of the Diocese's general creditors.

7. Liquidity and Availability

Catholic Charities manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. Catholic Charities prepares very detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

CATHOLIC CHARITIES OF THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Endowment funds consist of donor-restricted endowments. Donor-restricted endowment funds are not available for general use.

Board-designated funds are subject to annual appropriation to the operating budget, if and when approved annually by the Board of Trustees as part of its budget process.

As part of Catholic Charities' liquidity management, Catholic Charities invests its cash in excess of daily requirements in money market funds through its cash management plan. Catholic Charities manages its cash 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, material assistance from program initiatives, 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:

	2024	2023
Financial assets, at year-end	\$ 1,450,727	\$ 1,365,854
Less:		
Board-designated funds	370,122	369,588
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions	203,288	135,092
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 877,317	 \$ 861,174