



The Catholic Foundation
for the Diocese of Greensburg

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

WITH

INDEPENDENT AUDITOR'S REPORT

MaherDuessel

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THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

YEARS ENDED JUNE 30, 2024 AND 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Catholic Foundation for the Diocese of Greensburg, Pennsylvania (Foundation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 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 the Foundation, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Maher Duessel

Pittsburgh, Pennsylvania
October 24, 2024

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 72,357	\$ 115,814
Investments:		
Managed balanced portfolios	99,809,297	89,921,770
Equity in other investments	257,952	235,605
Interest in perpetual trust	1,645,358	1,524,901
Total investments	101,712,607	91,682,276
Interest receivable	223,518	205,780
Total Assets	\$ 102,008,482	\$ 92,003,870
Liabilities and Net Assets		
Liabilities:		
Distribution payable	\$ -	\$ 524,344
Due to other Diocesan entities	220	565
Gift annuity payable	93,127	98,849
Investments held on behalf of the Trust - OPEB	12,887,742	11,538,628
Total Liabilities	12,981,089	12,162,386
Net Assets:		
Without donor restrictions:		
Undesignated	2,440,716	2,208,342
Designated	2,422,105	2,319,944
Total without donor restrictions	4,862,821	4,528,286
With donor restrictions:		
Purpose restrictions	25,519,805	22,746,277
Perpetual in nature	58,644,767	52,566,921
Total with donor restrictions	84,164,572	75,313,198
Total Net Assets	89,027,393	79,841,484
Total Liabilities and Net Assets	\$ 102,008,482	\$ 92,003,870

See accompanying notes to financial statements.

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

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024				2023			
	Without Donor Restrictions	With Donor Restrictions		Total	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual			Purpose	Perpetual	
Revenues, Gains, and Other Support:								
Gifts and bequests	\$ 9,525	\$ 405,409	\$ 916,871	\$ 1,331,805	\$ 20,749	\$ 364,344	\$ 3,455,827	\$ 3,840,920
Investment income, net	522,458	3,388,829	7,287,806	11,199,093	378,366	2,407,614	5,024,472	7,810,452
Change in value of split-interest agreements	-	(14,103)	(185)	(14,288)	-	(9,978)	(184)	(10,162)
Endowment administration fee	452,439	-	-	452,439	446,585	-	-	446,585
Net assets released from restrictions	3,133,253	(1,006,607)	(2,126,646)	-	3,131,949	(1,044,820)	(2,087,129)	-
Total revenues, gains, and other support	4,117,675	2,773,528	6,077,846	12,969,049	3,977,649	1,717,160	6,392,986	12,087,795
Expenses:								
Management and professional fees	476,755	-	-	476,755	434,339	-	-	434,339
Administrative expenses	19,249	-	-	19,249	19,580	-	-	19,580
Payments to beneficiaries	1,273,671	-	-	1,273,671	1,257,500	-	-	1,257,500
Transfers to Diocesan entities	2,013,465	-	-	2,013,465	2,031,606	-	-	2,031,606
Total expenses	3,783,140	-	-	3,783,140	3,743,025	-	-	3,743,025
Change in Net Assets	334,535	2,773,528	6,077,846	9,185,909	234,624	1,717,160	6,392,986	8,344,770
Net Assets:								
Beginning of year	4,528,286	22,746,277	52,566,921	79,841,484	4,293,662	21,029,117	46,173,935	71,496,714
End of year	<u>\$ 4,862,821</u>	<u>\$ 25,519,805</u>	<u>\$ 58,644,767</u>	<u>\$ 89,027,393</u>	<u>\$ 4,528,286</u>	<u>\$ 22,746,277</u>	<u>\$ 52,566,921</u>	<u>\$ 79,841,484</u>

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

Cash Flows From Operating Activities:	2024	2023
Change in net assets	\$ 9,185,909	\$ 8,344,770
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(10,270,590)	(7,032,863)
Change in operating assets and liabilities:		
Receivables	(17,738)	(30,347)
Gift annuity payable	(5,722)	(10,336)
Distribution payable	(524,344)	517,252
Due to/from other Diocesan entities	(345)	(10,208)
Investments held on behalf of the Trust - OPEB	1,349,114	916,093
	(283,716)	2,694,361
Cash Flows From Investing Activities:		
Sale of investments	32,911,696	47,399,836
Purchase of investments	(32,671,437)	(50,118,685)
	240,259	(2,718,849)
Net Increase (Decrease) in Cash and Cash Equivalents	(43,457)	(24,488)
Cash and Cash Equivalents:		
Beginning of year	115,814	140,302
End of year	\$ 72,357	\$ 115,814

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies

Organization

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

Basis of Accounting

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

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

Donations and Bequests

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

Investments

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

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

identification method. Individual parishes, schools, and related Diocesan institutions are permitted to establish separate endowments within these managed portfolios. The fair value of these portfolios was \$99,809,297 and \$89,921,770 at June 30, 2024 and 2023, respectively.

The Foundation has six investment portfolios held and managed by Janney Montgomery that are related to individual donor gifts. The fair value of these investments was \$257,952 and \$235,605 at June 30, 2024 and 2023, respectively.

The Diocese is also the beneficiary of a perpetual trust which is invested in a managed balanced portfolio, consisting principally of common stocks, preferred stocks, and commercial paper, which are recorded at fair value in order to meet the investment objectives of the Foundation. Income from the trust is to be used for the education and training of priests in Westmoreland County. The fair value of the Diocese's interest was \$1,645,358 and \$1,524,901 at June 30, 2024 and 2023, respectively.

Risks and Uncertainties

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

Appreciation (Depreciation)

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

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NOTES TO FINANCIAL STATEMENTS

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

Income Taxes

The Foundation is listed in the Official Catholic Directory (OCD). All organizations listed in the OCD are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. In accordance with GAAP, the Foundation accounts for uncertain tax positions, if any, as required. Using this guidance, management has determined that there are no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Statements of Cash Flows

Cash and cash equivalents include currency on hand and demand deposits with financial institutions. Investments in mutual funds and government agency investments are not considered cash equivalents.

At various times throughout the years, cash balances may be 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.

Subsequent Events

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

Endowments

The Foundation's endowments consist of approximately 200 individual funds established for a variety of purposes. Its endowments include both donor-restricted endowment funds and funds designated by the Board of Trustees (Board) to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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The Foundation interprets the Commonwealth of Pennsylvania Act 141 (PA Act 141) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the endowment and (b) the original value of subsequent gifts to the endowment. The remaining portion of the donor-restricted endowment fund that is not to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by PA Act 141.

The endowments within the Managed Balanced Portfolios of the financial statements of the Foundation have adopted the Total Return Spending Policy (TRSP). The TRSP suggests an amount to be distributed which is designed to allow for a reasonable stream of distributions, while preserving the value of the endowment against inflation and a volatile market. The calculation applies an applicable distribution percentage (based on investment allocation of the endowment) to the average value of the endowment over a period of 12 calendar quarters. The distribution percentage was 4.6% for the fiscal years ended June 30, 2024 and 2023. All other endowments may elect to have interest and dividend income distributed to their beneficiaries if the corpus of the endowment is greater than \$10,000.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Endowment Net Asset Composition by Type of Fund - June 30, 2024

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Donor-restricted endowment funds	\$ -	\$ 25,519,805	\$ 58,644,767	\$ 84,164,572
Board-designated endowment funds	2,422,105	-	-	2,422,105
	<u>\$ 2,422,105</u>	<u>\$ 25,519,805</u>	<u>\$ 58,644,767</u>	<u>\$ 86,586,677</u>
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Endowment net assets, beginning of year	\$ 2,319,944	\$ 22,746,277	\$ 52,566,921	\$ 77,633,142
Investment return:				
Investment income	42,724	515,809	369,970	928,503
Net appreciation (realized and unrealized)	479,734	2,873,020	6,917,836	10,270,590
Total investment return	<u>522,458</u>	<u>3,388,829</u>	<u>7,287,806</u>	<u>11,199,093</u>
Contributions	9,525	405,409	916,871	1,331,805
Appropriation of endowment assets for expenditure	(429,822)	(1,006,607)	(2,126,646)	(3,563,075)
Other changes:				
Changes in split-interest agreements	-	(14,103)	(185)	(14,288)
Endowment net assets, end of year	<u>\$ 2,422,105</u>	<u>\$ 25,519,805</u>	<u>\$ 58,644,767</u>	<u>\$ 86,586,677</u>

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Endowment Net Asset Composition by Type of Fund - June 30, 2023

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Donor-restricted endowment funds	\$ -	\$ 22,746,277	\$ 52,566,921	\$ 75,313,198
Board-designated endowment funds	2,319,944	-	-	2,319,944
	\$ 2,319,944	\$ 22,746,277	\$ 52,566,921	\$ 77,633,142
	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose	Perpetual	
Endowment net assets, beginning of year, restated	\$ 2,260,183	\$ 21,029,117	\$ 46,173,935	\$ 69,463,235
Investment return:				
Investment income	36,911	412,380	328,298	777,589
Net appreciation (realized and unrealized)	341,455	1,995,234	4,696,174	7,032,863
Total investment return	378,366	2,407,614	5,024,472	7,810,452
Contributions	20,749	364,344	3,455,827	3,840,920
Appropriation of endowment assets for expenditure	(339,354)	(1,044,820)	(2,087,129)	(3,471,303)
Other changes:				
Changes in split-interest agreements	-	(9,978)	(184)	(10,162)
Endowment net assets, end of year	\$ 2,319,944	\$ 22,746,277	\$ 52,566,921	\$ 77,633,142

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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Expense Allocation

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

Restatement of Beginning Net Assets

Beginning net assets were restated as of July 1, 2022 to remove the investments designated for the other postretirement benefits plan from the Foundation's designated asset balance and record Investments held on behalf of the Roman Catholic Diocese of Greensburg, A Pennsylvania Charitable Trust (Trust) as it was determined proper to reclassify assets held by the Foundation on behalf of the Diocese of Greensburg's postretirement health care plan. Beginning net assets without donor restrictions – designated were decreased by \$10,622,535, from \$12,882,718 to \$2,260,183.

2. Fair Value

In accordance with accounting requirements, guidance establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices to active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation 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, 2024 or 2023.

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

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

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

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

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following tables set forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2024 and 2023.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

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Assets and Liabilities at Fair Value as of June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ -	\$ -	\$ 1,767,931	\$ 1,767,931
Gift annuity liability	-	-	(93,127)	(93,127)
Uninvested cash	7	-	-	7
Money market funds	3,476,332	-	-	3,476,332
Mutual funds:				
Growth	78,388	-	-	78,388
Social values	54,007	-	-	54,007
Corporate bonds	6,614,967	-	-	6,614,967
Treasury bonds	5,777,035	-	-	5,777,035
Agency bonds	1,710,650	-	-	1,710,650
Municipal bonds	5,664,258	-	-	5,664,258
Mortgage backed securities	2,785,173	-	-	2,785,173
Equities – consumer discretionary goods	8,881,847	-	-	8,881,847
Equities – consumer staples	4,021,559	-	-	4,021,559
Equities – energy	3,067,754	-	-	3,067,754
Equities – financial	11,180,117	-	-	11,180,117
Equities – health care	3,636,739	-	-	3,636,739
Equities – industrial	8,060,423	-	-	8,060,423
Equities – information technology	22,907,795	-	-	22,907,795
Equities – materials	2,683,600	-	-	2,683,600
Equities – real estate	1,366,620	-	-	1,366,620
Equities – telecommunication	5,861,546	-	-	5,861,546
Equities – utilities	2,115,859	-	-	2,115,859
	<u>\$ 99,944,676</u>	<u>\$ -</u>	<u>\$ 1,674,804</u>	<u>\$ 101,619,480</u>

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

Assets and Liabilities at Fair Value as of June 30, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trusts	\$ -	\$ -	\$ 1,642,546	\$ 1,642,546
Gift annuity liability	-	-	(98,849)	(98,849)
Uninvested cash	14	-	-	14
Money market funds	5,281,725	-	-	5,281,725
Mutual funds:				
Growth	67,814	-	-	67,814
Social values	46,082	-	-	46,082
Corporate bonds	5,717,690	-	-	5,717,690
Treasury bonds	5,138,865	-	-	5,138,865
Agency bonds	1,440,761	-	-	1,440,761
Municipal bonds	5,377,481	-	-	5,377,481
Mortgage backed securities	2,666,498	-	-	2,666,498
Equities – consumer discretionary goods	8,101,173	-	-	8,101,173
Equities – consumer staples	4,728,246	-	-	4,728,246
Equities – energy	1,971,509	-	-	1,971,509
Equities – financial	10,009,455	-	-	10,009,455
Equities – health care	4,610,996	-	-	4,610,996
Equities – industrial	8,141,605	-	-	8,141,605
Equities – information technology	16,472,890	-	-	16,472,890
Equities – materials	2,478,534	-	-	2,478,534
Equities – real estate	1,455,262	-	-	1,455,262
Equities – telecommunication	4,439,270	-	-	4,439,270
Equities – utilities	1,893,860	-	-	1,893,860
	<u>\$ 90,039,730</u>	<u>\$ -</u>	<u>\$ 1,543,697</u>	<u>\$ 91,583,427</u>

The Foundation’s Level 3 assets and liabilities are measured at fair value on a recurring basis. The fair value of those Level 3 assets and liabilities are increased by investment income and changes in fair value. The Foundation’s Level 3 assets and liabilities are decreased by payments to beneficiaries. There were no purchases of Level 3 investments during the years ending June 30, 2024 or 2023.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

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3. Investment Income

Investment income consisted of the following:

	2024	2023
Dividend and interest income	\$ 1,780,700	\$ 1,615,688
Net realized/unrealized gains	10,270,590	7,032,863
	12,051,290	8,648,551
Less: investment expense	(852,197)	(838,099)
Investment income	\$ 11,199,093	\$ 7,810,452

4. Net Assets with Donor Restrictions – Purpose

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

	2024	2023
Catholic Cemetery Perpetual Care Funds	\$ 18,924,595	\$ 16,966,078
Diocesan Pastoral Care Funds	3,207,907	2,708,722
Ordained Ministry Funds	1,410,268	1,290,435
Catholic Charities Funds	714,331	647,569
Priests' Health and Retirement Funds	954,141	841,715
Catholic Education Funds	308,563	291,758
	\$ 25,519,805	\$ 22,746,277

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

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

5. Net Assets with Donor Restrictions - Perpetual

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

	2024	2023
Ordained Ministry Funds	\$ 9,999,890	\$ 9,101,531
Parish/Catholic School Funds	20,467,492	17,818,296
Catholic Education Funds	12,929,408	11,785,774
Diocesan Pastoral Care Funds	3,626,038	3,225,378
Lay Ministry Education Grants and Program Funds	2,254,501	2,051,059
Capital Maintenance	4,421,972	4,055,478
Elementary Capital Endowment	1,435,292	1,316,558
Priests' Health and Retirement Funds	254,209	230,041
Catholic Cemetery Perpetual Care Funds	36,346	32,981
Catholic Charities Funds	3,219,619	2,949,825
	<u>\$ 58,644,767</u>	<u>\$ 52,566,921</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 the Foundation is a separate corporate entity, its assets would not be subject to the reach of the Diocese's general creditors.

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

7. Expenses

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

	Year Ended June 30, 2024	
	Program	General and Administrative
Total return distributed	\$ 3,287,136	\$ -
Management and professional fees	-	476,755
Office expenses	-	19,249
Total	\$ 3,287,136	\$ 496,004

	Year Ended June 30, 2023	
	Program	General and Administrative
Total return distributed	\$ 3,289,106	\$ -
Management and professional fees	-	434,339
Office expenses	-	19,580
Total	\$ 3,289,106	\$ 453,919

8. Liquidity and Availability

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

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

THE CATHOLIC FOUNDATION FOR THE DIOCESE OF GREENSBURG, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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

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

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

	2024	2023
Financial assets, at year-end	\$ 102,008,482	\$ 92,003,870
Less:		
Board-designated endowments	2,422,105	2,319,944
Donor-imposed restrictions:		
Restricted by donor with purpose restrictions	25,519,805	22,746,277
Investments held in perpetuity	58,644,767	52,566,921
Total donor-imposed restrictions	84,164,572	75,313,198
OPEB investments held on behalf of the Trust	12,887,742	11,538,628
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,534,063	\$ 2,832,100