Combined Financial Statements and Supplementary Information and Report of Independent Certified Public Accountants

Central Services of the Roman Catholic Archbishop of Baltimore

(a corporation sole of the State of Maryland), and other combined entities

June 30, 2025 and 2024

Contents

GRANT THORNTON LLP
379 Thornall Street, 5th Floor
Edison, NJ 08837

D +1 732 516 5500
F +1 732 516 5502

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Your Excellency William E. Lori
Archbishop of Baltimore
Central Services of the Roman Catholic Archbishop of Baltimore,
a corporation sole of the State of Maryland, and other combined entities

Opinion

We have audited the combined financial statements of the Central Services of the Roman Catholic Archbishop of Baltimore, a corporation sole of the State of Maryland, and other combined entities (the "Combined Entities"), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Combined Entities as of June 30, 2025 and 2024, and the changes in their net assets and their 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 of the combined financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Combined Entities 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.

Substantial doubt about the Combined Entities' ability to continue as a going concern

The accompanying combined financial statements have been prepared assuming that the Combined Entities will continue as a going concern. As discussed in Note 2 to the combined financial statements, on September 29, 2023, the Combined Entities filed a voluntary petition for relief under the provisions of chapter 11 of the United States Bankruptcy Code and has stated that substantial doubt exists about the Combined Entities' ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The combined financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Grant Thornton

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Combined Entities' ability to continue as a going concern for one year after the date the combined 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 combined 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 US GAAS 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 combined financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Combined Entities' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Combined Entities' 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.

Grant Thornton

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information, on pages 45 to 57, included as supplementary information as of and for the years ended June 30, 2025 and 2024 are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary 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. These additional procedures included 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 US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Grant Thornton LLP

Iselin, New Jersey
December 19, 2025

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30,

	2025	2024
ASSETS		
Cash and cash equivalents	$ 32,695,401	$ 38,413,724
Investments		
Investments - general	11,082,530	15,332,994
Board-designated investments	119,685,831	104,238,111
Investments held in perpetuity and split-interest agreements	19,936,077	18,744,432
Total investments	150,704,438	138,315,537
Amounts held on behalf of others	4,420,730	3,677,246
Prepaids and other assets	5,508,500	4,977,788
Loans and accounts receivable from Archdiocesan parishes and schools, net	22,166,047	19,988,032
Contributions receivable, net	1,859,726	1,341,526
Property and equipment, net	45,084,229	46,253,388
Total assets	$ 262,439,071	$ 252,967,241
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, accrued expenses and interest rate swap agreements	$ 16,773,897	$ 15,899,423
Amounts held on behalf of others and liabilities to related entities	5,505,064	4,487,739
Grants payable	3,760,090	4,322,012
Claims reserve for insurance liabilities	33,447,173	17,726,283
Pension and post-retirement benefit obligations, net	6,410,752	12,145,372
CCSLC notes payable	24,010,000	24,010,000
Tax-exempt and long-term notes payable	23,879,203	25,136,188
Total liabilities	113,786,179	103,727,017
Contingencies		
Net assets		
Without donor restrictions	126,481,211	128,743,003
With donor restrictions	22,171,681	20,497,221
Total net assets	148,652,892	149,240,224
Total liabilities and net assets	$ 262,439,071	$ 252,967,241

The accompanying notes are an integral part of these combined financial statements.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENT OF ACTIVITIES

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Operating income			
Cathedraticum	$ 15,800,000	$ -	$ 15,800,000
Program service fees	5,495,593	-	5,495,593
Annual appeal gifts and pledges, net	7,340,140	-	7,340,140
Partners in Excellence gifts and pledges, net	1,225,278	191,705	1,416,983
Grants, contributions and bequests	2,304,377	3,458,770	5,763,147
Other income	2,922,202	-	2,922,202
Net assets released from restrictions	3,167,660	(3,167,660)	-
Total operating income	38,255,250	482,815	38,738,065
Investment earnings, net	2,196,538	-	2,196,538
Other operations, net			
Insurance operations	(8,598,959)	-	(8,598,959)
Child Nutrition Program	(147,954)	-	(147,954)
Total other operations, net	(8,746,913)	-	(8,746,913)
Total operating revenues, gains and other support	31,704,875	482,815	32,187,690
Operating expenses			
Central management and administration	23,783,288	-	23,783,288
Fundraising and development	3,356,928	-	3,356,928
Evangelization and pastoral services	8,125,760	-	8,125,760
Department of Catholic schools	6,557,109	-	6,557,109
Priest care and retired clergy	767,951	-	767,951
Clergy services and programs	3,826,600	-	3,826,600
Total operating expenses	46,417,636	-	46,417,636
Change in net assets from operations	(14,712,761)	482,815	(14,229,946)
Non-operating income			
Non-operating investment income (loss)			
Loss from interest rate swap agreements	(201,126)	-	(201,126)
Net realized and unrealized gain on investments	3,018,742	1,191,645	4,210,387
Net realized and unrealized gain on investments designated for insurance programs	5,582,362	-	5,582,362
	8,399,978	1,191,645	9,591,623
Pension and post-retirement related activity other than service cost	4,651,188	-	4,651,188
Net loss from the Catholic Community School Land Corporation	(600,197)	-	(600,197)
Total non-operating income	12,450,969	1,191,645	13,642,614
CHANGES IN NET ASSETS	(2,261,792)	1,674,460	(587,332)
Net assets, beginning of year	128,743,003	20,497,221	149,240,224
Net assets, end of year	$ 126,481,211	$ 22,171,681	$ 148,652,892

The accompanying notes are an integral part of this combined financial statement.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENT OF ACTIVITIES

Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Operating income			
Cathedraticum	$ 15,500,000	$ -	$ 15,500,000
Program service fees	4,812,166	-	4,812,166
Annual appeal gifts and pledges, net	7,426,845	-	7,426,845
Partners in Excellence gifts and pledges, net	1,355,519	297,780	1,653,299
Embracing Our Mission (EOM) gifts and pledges, net	6,236	-	6,236
Grants, contributions and bequests	2,227,681	2,455,433	4,683,114
Other income	2,763,555	-	2,763,555
Net assets released from restrictions	2,942,022	(2,942,022)	-
Total operating income	37,034,024	(188,809)	36,845,215
Investment earnings, net	2,121,551	-	2,121,551
Other operations, net			
Insurance operations	(511,099)	-	(511,099)
Child Nutrition Program	(278,321)	-	(278,321)
Total other operations, net	(789,420)	-	(789,420)
Total operating revenues, gains and other support	38,366,155	(188,809)	38,177,346
Operating expenses			
Central management and administration	19,375,907	-	19,375,907
Fundraising and development	3,575,846	-	3,575,846
Evangelization and pastoral services	9,004,749	-	9,004,749
Department of Catholic schools	7,118,692	-	7,118,692
Priest care and retired clergy	1,012,486	-	1,012,486
Clergy services and programs	3,556,529	-	3,556,529
Total operating expenses	43,644,209	-	43,644,209
Change in net assets from operations	(5,278,054)	(188,809)	(5,466,863)
Non-operating income			
Non-operating investment income			
Gain from interest rate swap agreements	492,754	-	492,754
Net realized and unrealized gain on investments	3,040,910	1,289,140	4,330,050
Net realized and unrealized gain on investments designated for insurance programs	5,237,750	-	5,237,750
	8,771,414	1,289,140	10,060,554
Pension and post-retirement related activity other than service cost	7,884,633	-	7,884,633
Net loss from the Catholic Community School Land Corporation	(600,263)	-	(600,263)
Total non-operating income	16,055,784	1,289,140	17,344,924
CHANGES IN NET ASSETS	10,777,730	1,100,331	11,878,061
Net assets, beginning of year	117,965,273	19,396,890	137,362,163
Net assets, end of year	$ 128,743,003	$ 20,497,221	$ 149,240,224

The accompanying notes are an integral part of this combined financial statement.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2025

	Central Management and Administration	Fundraising and Development	Evangelization and Pastoral Services	Department of Catholic Schools	Priest Care and Retired Clergy	Clergy Services and Programs	2025 Total Expenses
Travel	$ 5,432	$ -	$ 152,930	$ -	$ -	$ 21,613	$ 179,975
Supplies	659,621	19,681	338,284	6,384	5,182	272,053	1,301,205
Seminarians	-	-	-	-	-	2,713,740	2,713,740
Salaries and benefits	8,983,099	1,773,760	3,610,153	1,899,579	657,278	517,802	17,441,671
Occupancy	841,198	191,453	443,683	131,902	18,388	62,428	1,689,052
Office equipment	480,710	119,550	23,193	284,296	3,161	9,151	920,061
Professional development/meetings	202,799	93,303	318,219	58,492	25,346	87,420	785,579
Office expense	2,456,711	930,629	76,367	462,110	54,162	63,270	4,043,249
Credit losses (recoveries)	1,009,547	125,766	-	(6,003)	-	-	1,129,310
Professional fees	9,037,108	102,786	1,072,686	43,650	4,434	67,446	10,328,110
Grants and donations	107,063	-	2,090,245	3,676,699	-	11,677	5,885,684
Total	$ 23,783,288	$ 3,356,928	$ 8,125,760	$ 6,557,109	$ 767,951	$ 3,826,600	$ 46,417,636

The accompanying notes are an integral part of this combined financial statement.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024

	Central Management and Administration	Fundraising and Development	Evangelization and Pastoral Services	Department of Catholic Schools	Priest Care and Retired Clergy	Clergy Services and Programs	2024 Total Expenses
Travel	$ 5,121	$ -	$ 69,454	$ -	$ -	$ 34,217	$ 108,792
Supplies	496,513	21,549	242,959	-	-	-	761,021
Seminarians	-	-	-	-	-	2,675,815	2,675,815
Salaries and benefits	8,701,361	1,746,330	3,627,167	1,698,859	977,301	479,924	17,230,942
Occupancy	794,205	189,030	435,344	130,232	1,102	78,707	1,628,620
Office equipment	529,077	21,665	27,168	304,471	960	1,519	884,860
Professional development/meetings	197,793	72,282	336,317	54,828	8,385	39,998	709,603
Office expense	2,321,425	949,441	101,657	376,428	(12,297)	37,332	3,773,986
Credit losses	183,651	281,233	-	134,161	-	-	599,045
Professional fees	6,032,641	293,066	1,421,430	60,288	6,489	132,284	7,946,198
Grants and donations	114,120	1,250	2,743,253	4,359,425	30,546	76,733	7,325,327
Total	$ 19,375,907	$ 3,575,846	$ 9,004,749	$ 7,118,692	$ 1,012,486	$ 3,556,529	$ 43,644,209

The accompanying notes are an integral part of this combined financial statement.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

COMBINED STATEMENTS OF CASH FLOWS

Years ended June 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (587,332)	$ 11,878,061
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation expense	1,184,007	1,202,562
Credit losses	1,129,310	599,045
Net realized and unrealized gain on insurance operations	(5,582,362)	(5,237,750)
Net realized and unrealized gain on investments	(4,210,387)	(4,330,050)
Loss (gain) from interest rate swap agreements	201,126	(492,754)
Changes in operating assets and liabilities:		
Increase in agency investments held for others	(743,484)	(409,558)
(Increase) decrease in contributions receivable	(518,200)	765,259
(Increase) decrease in accounts receivable	(3,920,326)	3,566,257
Decrease in notes receivable	613,001	622,336
(Increase) decrease in prepaid and other assets	(530,712)	54,880
Increase in agency funds held for others and liabilities to related entities	1,017,325	756,654
Decrease in pension and post-retirement obligations	(5,734,620)	(9,020,873)
Increase in accounts payable, accrued expenses and interest rate swap agreements	673,348	3,153,444
Increase in claims reserve	15,720,890	1,492,797
Decrease in grants payable	(561,922)	(3,481,435)
Net cash (used in) provided by operating activities	(1,850,338)	1,118,875
Cash flows from investing activities:		
Purchases of equipment	(14,848)	(63,980)
Purchases of investments	(31,152,952)	(26,369,908)
Proceeds from sales and maturities of investments	28,556,800	33,534,353
Net cash (used in) provided by investing activities	(2,611,000)	7,100,465
Cash flows from financing activities:		
Payments of long-term notes payable	(1,256,985)	(849,068)
Net cash used in financing activities	(1,256,985)	(849,068)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,718,323)	7,370,272
Cash and cash equivalents, beginning of year	38,413,724	31,043,452
Cash and cash equivalents, end of year	$ 32,695,401	$ 38,413,724
Supplemental cash flow information:		
Cash paid during the year for interest	$ 1,425,000	$ 1,265,917

The accompanying notes are an integral part of these combined financial statements.

NOTE 1 - ORGANIZATION

The accompanying combined financial statements include the operations and accounts of Central Services ("Central Services"), a part of the Roman Catholic Archbishop of Baltimore, a corporation sole of the State of Maryland (the "Corporation Sole," or "Archdiocese"), the Archbishop of Baltimore Annual Appeal Trust ("Archbishop's Annual Appeal"), Route 175 East, LLC. and Catholic Community School Land, Inc. ("CCSLC"), collectively referred to as "Combined Entities." Significant programs and campaigns of Central Services includes the Partners in Excellence scholarship campaign ("PIE"), and the Child Nutrition Program. In addition, the accompanying combined financial statements include accounts of the wholly owned captive insurance companies, Trust Insurance PC Series 2017-05 and General Insurance PC Series 2022-05.

Central Services' offices are located in the Catholic Center building in Baltimore, Maryland. Central Services is organized around seven departments (Office of the Archbishop, Communications - includes Catholic Review, Catholic Schools, Management Services, Development, Evangelization and Human Resources), which are responsible for providing certain services and programs. In exchange for various assessments and fees, Central Services operates as the fiscal and administrative division of the Corporation Sole. Central Services' functions provide direct support to parishes and schools, including fundraising, program development, centralized benefits and insurance administration, coordination of capital and repair projects, legal services, and financing programs. Major sources of revenues for Central Services are the cathedraticum assessment of the parishes, program contributions and service fees related to religious and education programs, and premiums charged to offset costs of centralized benefits and insurance.

Certain funds in the combined financial statements are held in trust for specific purposes, are held in custody for other entities, or are owned by entities separate from the Corporation Sole and are not available to the Corporation Sole. Such funds include, but are not limited to, parish and school funds, funds in the insurance program, and separate trusts and endowment funds.

The combined financial statements do not include individual parishes or schools, Inter-parish Loan Fund, Inc. ("IPLF"), The Catholic Community Foundation of the Archdiocese of Baltimore, Inc. ("CCF"), and certain other affiliates.

NOTE 2 - CONTINUATION OF OPERATIONS AS A GOING CONCERN

On September 29, 2023, Central Services filed a voluntary petition for relief under the provisions of chapter 11 of the United States Bankruptcy Code. The filing is in response to numerous anticipated lawsuits stemming from a recent change in legislation in the state of Maryland which became effective on October 1, 2023. The Maryland Child Victims Act of 2023 ("CVA") eliminates the statute of limitations for child sexual abuse cases. There is no deadline for filing lawsuits under the CVA, meaning that lawsuits would continue indefinitely. Litigation costs and settlements would likely exceed many millions of dollars.

The Archdiocese rooted its decision to file for chapter 11 reorganization to provide a process for all victim-survivors to be compensated while continuing the mission and ministries of the Church, including its parishes, schools, and charitable institutions. In a court hearing on December 18, 2023, the court set May 31, 2024 as the deadline by which anyone who has a claim against the Archdiocese, including anyone who was abused before September 29, 2023, by clergy, religious or employees in the Archdiocese, must submit a claim to be included in the potential settlement. After chapter 11 reorganization, future claims relating to past incidents of abuse cannot be brought against the Archdiocese and would be channeled to an established trust. Central Services has evaluated the change in legislation and believes the chapter 11 filing is the best plan forward for both their mission and the victim-survivors. However, due to the uncertainty of the results of the chapter 11 reorganization, there remains substantial doubt regarding the Archdiocese's ability to continue as a going concern for one year from the date of issuance of these combined financial statements.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Classifications of Net Assets

Under current guidance for financial statements of not-for-profit organizations, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Trustees and management, for the Combined Entities to utilize in any of its programs or supporting services. Net assets without donor restrictions may also be designated for specific purposes by the Combined Entities' Board of Trustees or may be limited by legal requirements or contractual agreements with outside parties. Accordingly, the net assets of the insurance trusts established by Central Services are classified without donor restrictions per U.S. GAAP although the use of the fund is restricted under the language of the trust agreements.

Net Assets With Donor Restrictions

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require the Combined Entities to use or expend the gifts as specified, based on purpose or passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the donor-restricted net assets are reclassified to net assets without donor restrictions. However, when restrictions on donor-restricted contributions are met in the same accounting period, such amounts are reported as part of net assets without donor restrictions.

Net assets with donor restrictions also includes the corpus of gifts, which must be maintained in perpetuity, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations. These assets include irrevocable trusts related to split interest agreements in which the income from these assets are used for specific purposes.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible into known amounts of cash and have original maturities of three months or less at the time of purchase.

Fair Value Measurement

The Combined Entities follow guidance which establishes a framework for measuring fair value, expands disclosures about fair value measurements, and provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The guidance also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Fair value is based on pricing inputs other than quoted prices in active markets and which are either directly or indirectly observable as of the reporting date. The nature of these securities includes investments for which quoted prices are available but traded less frequently than securities traded on what are deemed active markets; and

Level 3 - Pricing of securities are unobservable as of the reporting date. The inputs used to determine fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the reporting entity. The Combined Entities consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Combined Entities' perceived risk of that instrument.

The Combined Entities follow guidance on measuring the fair value of alternative investments, which offers investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value ("NAV"). Under this practical expedient, entities are permitted to use NAV without adjustment for certain investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Additionally, the Combined Entities follow guidance that removes the requirement to categorize, within the fair value hierarchy, all investments for which the fair value is measured using NAV.

Investments

Investments in equity and debt securities with readily determinable fair values are recorded at fair value determined on the basis of quoted market values. The Combined Entities' alternative investments in certain not-readily-marketable securities consist of hedge funds for which fair market values are not readily obtainable. The estimated value provided by these managers may differ from actual values had a ready market for these investments existed.

Investments are managed by the Archdiocesan Investment Committee using funds-of-funds asset allocation strategy with custodial services provided by an independent third party. The Archdiocesan Board of Financial Administration also employs an independent consultant to evaluate fund managers. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined based on average cost and are recorded in the combined statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the accompanying combined financial statements.

Investments are categorized on the combined statements of financial position in accordance with the intended use of the investment assets. Information regarding each category is as follows:

Investments - General - Investments held for general purposes of the Combined Entities. Interest and earnings generated from these investments are used for the general operations of the Combined Entities.

Board Designated Investments - Investments that have been raised by specific programs of the Combined Entities and intended solely for the use of these programs. Details include:

	2025	2024
Insurance programs held in trusts	$ 87,328,821	$ 73,414,088
Annual appeal, EOM campaign and PIE fundraising collections that will be used within 12 months	688,471	658,982
Specific programs of combined entities	24,056,900	23,197,107
Deferred maintenance funds	5,265,748	4,748,340
Property fund	2,345,891	2,219,594
Total designated investments	$ 119,685,831	$ 104,238,111

Investments Held in Perpetuity and Split-Interest Agreements - Investments originating from permanently imposed donor restrictions. These investments include the value of split-interest investments and the corpus amount of endowment gifts restricted for perpetuity.

Investment income is recorded as revenue in the appropriate net asset classification in accordance with donor stipulations, if any. All income is reported net of investment-related expenses.

Concentration of Credit Risk

Financial instruments which potentially subject the Combined Entities to concentrations of credit risk consist of cash and cash equivalents, investment securities, and receivables. The Combined Entities place its cash and cash equivalents with credit worthy, high quality financial institutions. At certain times, cash account balances may exceed the Federal Deposit Insurance Corporation insurance limit. Central Services monitors the creditworthiness of these financial institutions to minimize the risk of credit loss. The Combined Entities has not experienced, nor does it anticipate any losses with respect to such bank balances. Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risks associated with investments, it is reasonably possible that changes in risk in the near term would materially affect the amounts reported in the combined statements of financial position. However, the Combined Entities believe that their investment policies are prudent for the long-term welfare of the organization. Loans, notes, grants and accounts receivables are primarily amounts due from parishes and schools related to insurance, capital projects, and other activities. Credit risk is limited to the geographic dispersion of the various entities and the related party nature of such transactions.

Amounts Held on Behalf of Others

Central Services acts as a custodian in an investment program that is administered by a commercial bank for parishes, schools, and affiliates of the Archdiocese to utilize. Central Services does not have any variance power in terms of the use of these investments or any economic interest. The Archdiocesan Board of Financial Administration reviews investment performance and recommends changes, if necessary, to available investment options. The value of these assets is also accounted for as a liability on the combined statements of financial position. Central Services receives no investment income or records any changes on the combined statements of activities relating to the amounts held on behalf of others.

Split-Interest Agreements

The Combined Entities is the beneficiary of planned gifts under certain split-interest agreements. The Combined Entities' split-interest agreements include trusts held by third parties and charitable gift annuities:

Beneficial Interest in Trusts Held by Others

The Combined Entities is a partial beneficiary to several trusts established by donors. The assets held by a third-party trustee pertaining to these trusts will not revert to the Combined Entities at any time and the income received is used in accordance with donor stipulations. These irrevocable and perpetual assets held in trust are recorded as contribution revenue at fair value at the date these split-interest agreements are established and any subsequent change in fair value is recorded as an unrealized gain or loss on investments. These assets had a fair value of $19,337,670 and $18,191,955 as of June 30, 2025 and 2024, respectively, which are included in investments held in perpetuity and split-interest agreements on the combined statements of financial position.

Charitable Gift Annuities

The Combined Entities entered into several gift annuities for the benefit of certain affiliated entities. Central Services has segregated assets to provide for these annuities as separate and distinct funds independent from the Combined Entities. These funds may not be applied to payments of any debts and/or obligations of the Combined Entities.

These gift annuities require regular payments to donors reducing annuity principal balances. Upon the death of the donor, any remaining balance is given to stated Archdiocesan beneficiaries. Any regularly scheduled payments to donors that are in excess of annuity principal would be made by the Combined Entities. The Combined Entities maintained adequate reserves pertaining to its outstanding charitable gift annuity agreements in accordance with the Code of Maryland Regulations as of June 30, 2025 and 2024.

Loans and Accounts Receivable

Loans and accounts receivable relate primarily to amounts due from Archdiocesan parishes, schools, and affiliated entities that engage Central Services to perform a variety of programs and compensate Central Services for such services. These receivables are recorded in two major operating categories – Insurance and Cathedraticum. Additional receivables are recorded for other services provided by Central Services.

Additionally, Central Services administers a financing program that is unaffiliated with IPLF. This program is primarily related to loans associated with the 2007 tax-exempt revenue bonds (Note 15) and other initiatives not financed through IPLF. Interest rates offered on loans are based on the cost of financing the particular project. Interest rate on loans remained fixed at 5.49% for both fiscal years 2025 and 2024.

Interest income earned by Central Services on loans outstanding at June 30, 2025 and 2024 was $602,674 and $641,545, respectively. The income is netted against any interest or fees associated with long-term debt (including tax-exempt bonds) which totaled $1,175,892 and $1,265,917 for fiscal years 2025 and 2024, respectively. The net amount is included in investment earnings on the accompanying combined statements of activities.

Allowance for Credit Losses

Central Services reviews all receivables annually. Because of the uncertainty surrounding the collection, management provides an allowance for credit losses based on consideration of the type of receivable, responsible party, the known financial condition of the respective schools, parish, donor or affiliated organization, historical collection patterns and comparative aging. These allowances are maintained at a level management considers adequate to provide for subsequent adjustments and potential uncollectible accounts. These estimates are reviewed periodically and if the financial condition of the responsible party changes significantly, management will re-evaluate the recoverability of any accounts, loans and contributions receivable from that organization. The Combined Entities write off any amounts that are no longer considered to be recoverable, and any payments subsequently received on such receivables are recorded as income in the period received.

Gifts, Bequests and Contributions

Central Services recognizes revenue from contributions in accordance with guidance requiring Central Services to evaluate whether (1) transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and (2) determining whether a contribution is conditional.

Contributions, including unconditional promises to give, are reported as revenue at fair value in the period received as net assets without donor restrictions and net assets with donor restrictions depending on the existence or absence of donor-imposed stipulations. Unconditional promises to give that are expected to be collected in future periods in excess of 12 months are recorded at the present value of the estimated future cash flows, discounted at a risk-adjusted rate applicable to the years in which the promises originate. Discount rates utilized in fiscal years 2025 and 2024 ranged from 0.29% to 4.33%.

Revenue Recognition

Central Services recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration Central services expects to receive in exchange for satisfying distinct performance obligations. Central Services has identified insurance program premiums and program service fee income as the primary revenue categories subject to this guidance. Revenue for insurance programs are recognized monthly as corresponding performance obligations are satisfied. The performance obligations for program service fees income related to events and religious and education programs are satisfied either over time or at a point in time and the related revenue is recognized as services are rendered. Central services recognized $1,181,175 and $1,042,758 of revenue over time during the years ended June 30, 2025 and 2024, respectively. Central Services recognized $4,314,418 and $3,769,408 of revenue at a point in time during the years ended June 30, 2025 and 2024, respectively. Central services management expects that the period between when Central Services transfers goods and services to their customers and when the customers pay for those goods and services will be one year or less. There are no significant financing components. Invoices are generally due within 30 days of the invoice date and Central Services earns all revenue in the United States.

Cathedraticum

Cathedraticum is the primary operating source for Central Services budget and is a formula-driven assessment applied to income without donor restrictions of all parishes within the Archdiocese. The Cathedraticum assessment helps to support the Archdiocesan ministries and necessary administrative services that directly benefit the parishes. The assessment was 7.0% on the first $200,000 raised; 15.5% on the next $100,000; 16.5% on the next $200,000; and 17.0% on all funds without donor restriction recorded thereafter during the years ended June 30, 2025 and 2024. Revenue related to the Cathedraticum assessments are recorded when billed.

Archbishop's Annual Appeal

The Archbishop's Annual appeal provides support for Archdiocesan mission related programs and program support for certain related entities. Appeal goals are established annually for parishes as well as solicitations to parishioners. Contributions are recorded in the period received.

Property and Equipment, Net

All land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 40 years for buildings and improvements and three to 15 years for equipment, automobiles and furniture.

Grants

Upon making grants, Central Services evaluates whether the transfer of assets is (1) a grant or (2) an exchange transaction in which Central Services is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a grant Central Services evaluates whether the grant is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the recipient is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of Central Services obligation to transfer assets. Grant obligations to parishes, schools, and organizations both within and external to the Archdiocese are recognized when all conditions have been met. The funding sources are primarily associated with the Archbishops Annual Campaign.

Functional Expenses

The costs of providing the various programs and other activities of the Combined Entities have been summarized on a functional basis in the accompanying combined statements of activities, which includes all operating expenses incurred during the year. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management allocates the direct costs of its operations to its programs and services on an equitable basis based on either financial or non-financial data, such as the percentage of direct labor costs charged to each program and supporting services by the Combined Entities staff.

Leases

Central Services, as lessee, accounts for lease agreements by recording on their combined statement of financial position the rights and obligations of the lease agreement, as a right-of-use ("ROU") lease asset and liability, respectively. Central Services elected the short-term lease practical expedient, and accordingly, does not record ROU lease assets or lease liabilities with terms less than 12 months. A lease is defined as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. In addition, Central Services utilized the portfolio approach to group leases with similar characteristics.

Central Services determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property or equipment (an identified asset) in exchange for consideration. Central Services determines these assets are leased because Central Services has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because Central Services determines it does not have the right to control and direct the use of the identified asset.

Central Services analyzes each lease agreement to determine whether it should be classified as a finance lease or an operating lease. ROU assets and lease liabilities are recognized at the commencement date of the lease based on the estimated present value of lease payments over the lease term. As most of Central Services' leases do not provide an implicit interest rate, Central Services uses the estimated risk-free rate that is comparable with the lease term in effect at the commencement date of the respective lease agreement in determining the present value of lease payments. ROU assets and lease liabilities for operating and finance leases are included in the statements of financial position and presented separately based on the classification of the underlying lease arrangement.

The portion of payments on operating lease liabilities related to interest, along with the amortization of the related ROU, is recognized as rent expense. This rent expense is recognized on a straight-line basis over the term of the lease. Central Services does not have any finance leases.

Investments in Mercy Ridge

Mercy Ridge, Inc., a continuing care retirement community, is a joint venture between Central Services and Mercy Health Services, both 50% members. Funding of Mercy Ridge Inc's expenses by Central Services and Mercy Health Services, and distributions and payments from Mercy Ridge, Inc are made in accordance with the agreements. No obligation exists on the part of Central Services to restore negative capital balances of Mercy Ridge, Inc.

Central Services does not exercise control over policy decisions and as such the investment is accounted for under the equity method. This method is not an indicator of the fair value of the investment, rather it is the initial cost adjusted for the Central Services' share of earnings and losses of the investee, any additional investments, return of capital and distributions. As Mercy Ridge, Inc. has cumulative losses, resulting in a negative capital balance as of through June 30, 2025 Central Services investment was written down to zero (see Note 19).

Derivative Instruments

Central Services uses derivative financial instruments selectively to offset exposure to market risks from changes in interest rates. The derivative financial instruments used by Central Services consist of interest rate swap agreements.

Central Services reports derivative instruments in accordance with the current authoritative guidance for derivative financial instruments and hedging activities, which requires that all derivative financial instruments be recorded in the combined statements of financial position at fair value. Changes in the fair value and gains or losses of derivative instruments are included in the combined statements of activities. The fair value of interest rate swaps is determined using the estimated present value of the fixed leg and floating leg. The value of the fixed leg is the present value of the known fixed monthly payments. The value of the floating leg is the present value of the floating monthly payments determined at the agreed dates of each payment. Forward rates derived from the yield curve are used to approximate the floating rates. Each series of cash flows is discounted by market rates of interest.

Income Taxes

As a religious organization, the activities of Central Services and Archbishop's annual appeal are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC" or "Code"), except for those activities which constitute unrelated business income, through its inclusion in the United States Conference of Catholic Bishops ("USCCB") group ruling and listing in the Official Catholic Directory.

As a single member limited liability company, Route 175 East LLC is a disregarded entity under the IRC for income tax purposes and, as such, is not directly subject to federal income taxes and state income taxes.

The Archdiocese follows the accounting guidance for uncertainties in income tax positions, which required that a tax position be recognized or not recognized based on a more-likely-than-not threshold. This applies to positions taken or expected to be taken in a tax return.

The Archdiocese has processes presently in place to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The Archdiocese has determined that there are no material uncertain tax positions that require recognition or disclosure in the combined financial statements.

Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the combined financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Operating Measure

Central Services classifies its combined statements of activities into operating and non-operating activities. Operating activities principally include all income and expenses related to carrying out its mission, including interest and dividends from operations and rental income. Nonoperating activities include interest and dividends not included in operating activities, realized and unrealized gains (losses) on investments, gain or loss on the fair market value of the interest rate swap agreements, pension and post-retirement activity other than service cost, activity related to the Catholic Community School Land Corporation, and other activities considered to be of a more unusual or nonrecurring nature, if any.

Reclassifications

Certain amounts reported in functional operating expenses and nonoperating activities in the fiscal 2024 financial statements have been reclassified to conform to the fiscal 2025 presentation. These reclassifications have no effect on previously reported total assets, liabilities, net assets or changes in net assets.

NOTE 4 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of June 30, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, follow:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 32,695,401	$ 38,413,724
Investments - general	11,082,530	15,332,994
Board-designated investments	119,685,831	104,238,111
Investments held in perpetuity and split-interest agreements	19,936,077	18,744,432
Amounts held on behalf of others	4,420,730	3,677,246
Loans and accounts receivable, net of allowance	22,166,047	19,988,032
Contribution receivables, net of allowance	1,859,726	1,341,526
Total financial assets available	211,503,552	201,736,065
Less amounts unavailable for general expenditures within one year due to:		
Net assets with donor restrictions - time and purpose	(2,235,604)	(1,752,789)
Cash held at insurance trust	(1,947,136)	(11,207,445)
Investments held in perpetuity and split-interest agreements	(19,936,077)	(18,744,432)
Amounts held on behalf of others	(4,420,730)	(3,677,246)
Contributions receivables, net - long term	(70,900)	(98,395)
Loans and accounts and notes receivables, net - long term	(10,649,597)	(11,262,598)
Board-designated investments	(119,685,831)	(104,238,111)
Investments without donor restrictions held as collateral for long-term note payable	(4,370,243)	(4,326,485)
Total available financial assets to management for general expenditures within one year	$ 48,530,224	$ 46,428,564

The Combined Entities maintain cash balances at a level designed to ensure short-term liquidity. A suitable proportion of the Combined Entities investment balances are held in instruments that can readily be converted to cash, if needed. The available cash balance is also intended to serve the pension and post-retirement benefit obligation and tax-exempt note payable shown in the combined statements of financial position. In addition to the financial assets and liquidity resources available to meet general expenditures over the next 12 months, the Combined Entities operates within a prudent range of fiscal responsibility and anticipates collecting sufficient revenue to cover its operating expenses.

NOTE 5 - LOANS AND ACCOUNTS RECEIVABLE, NET

A summary of loans and accounts receivable from Archdiocesan parishes and schools are as follows:

	2025	2024
Parish and school loans	$ 10,649,597	$ 11,262,598
Cathedraticum receivables	14,130,413	13,373,404
Insurance program receivables	28,764,072	25,364,035
Parish school assessments due within one year	1,575,715	1,220,676
Other receivables	8,361,004	6,993,570
Total loans and accounts receivable, gross	63,480,801	58,214,283
Less: provision for credit losses	(41,314,754)	(38,226,251)
Total loans and accounts receivable, net	$ 22,166,047	$ 19,988,032

Loans and accounts receivable, net consist of the payments due over the next five year and thereafter as follows:

Fiscal Years Ending June 30,	
2026	$ 53,485,468
2027	683,972
2028	722,481
2029	763,159
2030	806,097
Thereafter	7,019,624
Total loans and accounts receivable, gross	63,480,801
Less: provision for credit losses	(41,314,754)
Total loans and accounts receivable, net	$ 22,166,047

Changes in provision for credit losses during the years ended June 30, 2025 and 2024 consisted of the following:

	Cathedraticum	Insurance	Other	Totals
Balance at June 30, 2023	$ 10,949,310	$ 24,321,728	$ 6,149,242	$ 41,420,280
Additions	250,000	2,846,960	137,903	3,234,863
Write-offs	(66,349)	(4,841,059)	(1,521,484)	(6,428,892)
Balance at June 30, 2024	11,132,961	22,327,629	4,765,661	38,226,251
Additions	981,561	2,893,880	96,597	3,972,038
Write-offs	(463,275)	(411,615)	(8,645)	(883,535)
Balance at June 30, 2025	$ 11,651,247	$ 24,809,894	$ 4,853,613	$ 41,314,754

NOTE 6 - CONTRIBUTIONS RECEIVABLE, NET

The net contributions receivable is expected to be received as follows at June 30:

	2025	2024
Less than one year	$ 2,053,739	$ 1,581,557
One to five years	70,900	98,395
Gross contributions receivable	2,124,639	1,679,952
Allowance for uncollectible pledges	(262,218)	(331,929)
Discount for net present value	(2,695)	(6,497)
Contributions receivable, net	$ 1,859,726	$ 1,341,526

Included in gross contributions receivable for the fiscal year ended June 30, 2025 are Archdiocese pledges of $601,972; EOM pledges of $180,000; Archbishop's Annual Appeal pledges of $1,195,060; and PIE pledges of $147,607. Included in gross contributions receivable for the fiscal year ended June 30, 2024 are Archdiocese pledges of $187,762; EOM pledges of $180,000; Archbishop's Annual Appeal pledges of $1,105,070; and PIE pledges of $207,120.

NOTE 7 - PROPERTY AND EQUIPMENT, NET

Land, building and equipment balances at June 30 consist of the following:

	2025	2024
Buildings and improvements	$ 38,583,027	$ 38,683,108
Equipment, automobiles and furniture	4,897,944	4,948,275
Total building and equipment	43,480,971	43,631,383
Less: accumulated depreciation	(17,142,894)	(16,146,714)
Total building and equipment, net	26,338,077	27,484,669
Land	6,590,849	6,590,849
Land held for parishes	12,155,303	12,177,870
Total property and equipment, net	$ 45,084,229	$ 46,253,388

Depreciation expense was $1,184,007 and $1,202,562 for fiscal years 2025 and 2024, respectively.

NOTE 8 - INVESTMENTS

Investments, at fair value, consist of the following at June 30:

	2025	2024
Cash and cash equivalents	$ 10,390,864	$ 13,523,404
Fixed income	45,060,441	42,594,088
Equities	46,469,577	35,931,515
Alternative funds	29,445,886	28,074,575
Split-interest agreements	19,337,670	18,191,955
Total investments	$ 150,704,438	$ 138,315,537

Management expenses related to the purchase and sale of investments amounted to $248,675 and $252,312 for the fiscal years ended 2025 and 2024, respectively, and are included in investment earnings.

Investment income (loss), not pertaining to investments designated for insurance programs, for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operating investment income (loss)		
Parish and school lending programs, net	$ (575,947)	$ (633,103)
Dividend and investment income, net	2,772,485	2,754,654
Net operating investment income	2,196,538	2,121,551
Non-operating investment income		
Change in fair value of interest rate swap	(201,126)	492,754
Net realized gain on investments	777,850	1,271,884
Net unrealized gain on beneficial interests in trusts	1,145,716	1,252,166
Net unrealized gain on investments	2,286,821	1,806,000
Net non-operating investment income	4,009,261	4,822,804
Total investment income	$ 6,205,799	$ 6,944,355

The net realized gain (loss) on insurance operations totaled $1,478,520 and ($2,951) for the years ended June 30, 2025 and 2024, respectively. The net unrealized gain on insurance operations totaled $4,103,842 and $5,240,701 for the years ended June 30, 2025 and 2024, respectively.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables summarize the valuation of our financial instruments by the above authoritative pricing levels as of June 30, 2025 and 2024:

	June 30, 2025				
	Level 1	Level 2	Level 3	NAV	Total Fair Value
Assets					
Investments					
Cash equivalents	$10,356,381	$ 34,483	$ -	$ -	$ 10,390,864
Fixed income	14,410,996	30,649,445	-	-	45,060,441
Equities	39,469,861	6,999,716	-	-	46,469,577
Alternative investments	-	-	-	27,639,600	27,639,600
Participation in CCF investment portfolio	-	-	1,806,286	-	1,806,286
Split interest agreements					
Beneficial interest in trusts held by others	-	-	19,337,670	-	19,337,670
Total investments and split interest agreements	$ 64,237,238	$ 37,683,644	$ 21,143,956	$ 27,639,600	$150,704,438
Amounts held on behalf of others	$ 3,223,913	$ 1,196,817	$ -	$ -	$ 4,420,730
Liabilities					
Interest rate swap agreements	$ -	$ 1,270,661	$ -	$ -	$ 1,270,661

	June 30, 2024				
	Level 1	Level 2	Level 3	NAV	Total Fair Value
Assets					
Investments					
Cash equivalents	$13,502,952	$ 20,452	$ -	$ -	$ 13,523,404
Fixed income	17,554,622	25,039,466	-	-	42,594,088
Equities	31,838,633	4,092,882	-	-	35,931,515
Alternative investments	-	-	-	26,362,290	26,362,290
Participation in CCF investment portfolio	-	-	1,712,285	-	1,712,285
Split interest agreements					
Beneficial interest in trusts held by others	-	-	18,191,955	-	18,191,955
Total investments and split interest agreements	$ 62,896,207	$ 29,152,800	$ 19,904,240	$ 26,362,290	$138,315,537
Amounts held on behalf of others	$ 2,524,607	$ 168,402	$ -	$ 984,237	$ 3,677,246
Liabilities					
Interest rate swap agreements	$ -	$ 1,069,535	$ -	$ -	$ 1,069,535

Alternative investments held by CCF are valued using net asset value (NAV) as a practical expedient of the Combined Entities' ownership in the total investment portfolio. This approach reflects the estimated fair value based on the underlying investments reported by the fund managers. Split interest agreements are valued using present value techniques. These valuations incorporate significant unobservable inputs, including discount rates and life expectancy assumptions derived from actuarial tables. Management reviews these inputs periodically and updates them as necessary to reflect current market conditions and demographic data.

The following table summarizes the changes in the Combined Entities' Level 3 investments for the years ended June 30:

	2025	2024
Balance, beginning of year	$ 19,904,240	$ 18,484,723
Change in value	1,239,716	1,419,517
Balance, end of year	$ 21,143,956	$ 19,904,240

The combined entities use the NAV to determine the fair value of all underlying investments which (1) do not have a readily determinable fair value and (2) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. In accordance with Accounting Standards Codification Subtopic 820-10, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

The following tables detail certain attributes pertaining to the investment reported at fair value using NAV, or its equivalent, as of June 30, 2025 and 2024:

2025

Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Venture Capital Fund	This fund invests in companies that are relocating to or being created in Baltimore City	$ 754,979	1	$ 559,226	5 years with two 1-year optional extensions	No liquidity until end of term	No liquidity until end of terms	No liquidity until end of terms
Commingled Core Bond and US Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and US equity markets	26,884,621	2	-	N/A	Full liquidity	Monthly	5 days
Total		$27,639,600	3	$ 559,226				

2024								
Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Venture Capital Fund	This fund invests in companies that are relocating to or being created in Baltimore City	$ 949,752	1	$ 714,883	6 years with two 1-year optional extensions	No liquidity until end of term	No liquidity until end of terms	No liquidity until end of terms
Commingled Core Bond and US Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and US equity markets	25,412,538	2	-	N/A	Full liquidity	Monthly	5 days
Total		$26,362,290	3	$ 714,883				

NOTE 10 - INTEREST RATE SWAPS

Central Services uses three separate interest rate swap agreements as a means of fixing the interest rate on portions of its long-term debt. Unrealized gains and losses are included in changes in net assets. In December 2010, Swap No. 1 was amended to reflect the refinancing changes of the tax-exempt debt and the notional amounts approximate half of the expected outstanding amount over the loan period. In September 2010, Swap No. 2 was amended to reflect the refinancing changes of the taxable debt and the notional amounts approximate half of the expected outstanding amount over the loan period. In August 2011, Swap No. 3 was added to further protect balance on the tax-exempt debt that was not included in Swap No. 1. Details of the swaps as of June 30, 2025 and 2024 follow:

	2025	2024
Swap No. 1 (Tied to Tax-Exempt Loan)		
Notional amount	$ 12,085,000	$ 12,085,000
Fair value of agreement	(1,111,051)	(1,035,451)
Expiration date	7/1/2037	7/1/2037
Swap No. 2 (Tied to 20-Year Loan)		
Notional amount	$ 515,000	$ 1,205,000
Fair value of agreement	(723)	(6,291)
Expiration date	7/1/2025	7/1/2025
Swap No. 3 (Tied to Tax-Exempt Loan)		
Notional amount	$ 9,182,083	$ 9,590,000
Fair value of agreement	(158,887)	(27,793)
Expiration date	2/1/2037	2/1/2037

NOTE 11 - INSURANCE PROGRAM ACTIVITIES

The Archdiocesan Health and Benefits, Property and Casualty Insurance Programs (the “Programs”) provide insurance coverage, both commercially purchased and self-insured, for affiliates of Central Services.

The Programs administer certain insurance trusts. Accordingly, the net operations of the Programs are included in unrestricted designated net assets and the risk and benefits belong to the trusts. Insurance operations revenue of $75,719,024 and $70,122,021 is presented net of related insurance expenses of

$84,317,983 and $70,633,120 on the combined statement of activities for the years ended June 30, 2025 and 2024, respectively. Any shortfall of funds by the Programs is recovered from future premiums assessed. Self-insurance reserves have been developed on an actuarial model based on historical claims and industry experience.

Included in insurance operations, net on in the accompanying combined statement of activities is a captive insurance company formed by the Corporation Sole for the purpose of writing sexual misconduct coverage for itself and its affiliates, effective July 1, 2017. It has issued a sexual abuse policy annually since that date. In addition, until July 1, 2024, each policy also covered claims made during the policy period for sexual abuse occurring between July 1, 1986, and July 1, 2017. The insurance reserves for the sexual misconduct captive insurance company at June 30, 2025 and 2024 was $19,717,922 and $5,584,710, respectively.

The passing of the CVA in Maryland on October 1, 2023, along with the Archdiocese's bankruptcy, led to an acceleration of claim reserves. Insurance reserves for the sexual misconduct captive insurance company increased by $3,239,846 for the period ended June 30, 2024, due to the statute of limitations being lifted by the CVA. For the period ended June 30, 2025, sexual misconduct reserves for the captive insurance company increased by $14,133,212. This increase is attributed to the number of claims made through the bankruptcy process and the projected coverage available under the policy limits. The estimate does not include any additional payments that may be required as a result of the eventual bankruptcy plan.

As of June 30, 2025 and 2024, the actuarially determined liabilities for employee benefits and property and liability insurance consisted of the following:

	2025		
	Case Reserve	Incurred but Not Reported	Total
Employee medical and pharmacy plan	$ -	$ 3,113,017	$ 3,113,017
General liability, automobile, workers' compensation, trust, sexual misconduct, and property coverage	3,976,120	26,358,036	30,334,156
Total liability for self-insurance claims	$ 3,976,120	$ 29,471,053	$ 33,447,173

	2024		
	Case Reserve	Incurred but Not Reported	Total
Employee medical and pharmacy plan	$ -	$ 2,991,454	$ 2,991,454
General liability, automobile, workers' compensation, trust, sexual misconduct, and property coverage	2,500,314	12,234,515	14,734,829
Total liability for self-insurance claims	$ 2,500,314	$ 15,225,969	$ 17,726,283

NOTE 12 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND SWAP AGREEMENT LIABILITIES

Accounts payable, accrued expenses and interest rate swap agreement liabilities are as follows at June 30, 2025 and 2024:

	2025	2024
Accounts payable	$ 3,401,808	$ 2,781,830
Accrued payroll	1,370,854	1,377,669
Accrued liabilities - insurance	4,420,349	4,001,601
Accrued liabilities - swap agreements	1,270,661	1,069,535
Accrued liabilities - other	6,310,225	6,668,788
Total	$ 16,773,897	$ 15,899,423

NOTE 13 - PENSION PLANS

Central Services administers and participates in two separate pension plans - a lay employees plan and a separate plan for priests.

Lay Pension Plan

Lay employees of Central Services, in addition to those of certain affiliated organizations, corporations or agencies participate in a single-employer, under a common central group, defined benefit retirement plan. The Lay Employee Retirement Plan ("Lay Plan") provides monthly benefits upon retirement to participants based on salary and length of service. Funding for the Lay Plan comes from the Lay Retirement Trust, which is funded by each participating organization, corporation and agency. Due to the nature of the Lay Plan, it is not practicable to determine the extent to which the assets of the Lay Retirement Trust cover the actuarially computed value of vested benefits for Central Services on a standalone basis. Accordingly, the Lay Retirement Trust assets are not included on the accompanying combined statements of financial position and unfunded obligation is shared by all the plan participants. The unfunded obligation associated only with Central Services employees is shown as a liability. Contributions to the Lay Retirement Trust were $10,121,852 and $9,095,821 for the years ended June 30, 2025 and 2024, respectively.

The portion of the unfunded benefit obligation of the Lay Plan associated with the Central Services for its lay employees was $9,136,383 and $10,414,270 for the years ended June 30, 2025 and 2024, respectively. The Lay Plan was frozen effective June 30, 2011. No additional benefits will accrue for existing participants and no additional participants will be added to the Plan.

Priest Pension Plan

The Priests' Pension Plan ("Priest Plan") covers substantially all Archdiocesan priests. The Priest Plan provides a monthly benefit upon retirement to participants based upon length of service. Funding for the Priest Plan comes from the Priest Pension Trust, which is funded primarily from organizations to which the priests are assigned. These funds are collected by Central Services and sent to the Trustee of the Priest Pension Trust.

The Priest Plan's unfunded status, accumulated benefit obligation, and net pension benefit costs as of June 30, 2025 and 2024 were calculated by a consulting actuary and are summarized as follows:

	2025	2024
Change in projected benefit obligation:		
Benefit obligation at beginning of year	$ 37,188,792	$ 40,142,561
Service cost	498,815	579,046
Interest cost	1,876,188	1,884,966
Actuarial (gain) loss	(823,608)	(2,802,987)
Benefits paid	(2,578,687)	(2,614,794)
Benefit obligation at end of year	$ 36,161,500	$ 37,188,792
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 41,567,094	$ 38,475,623
Actual return on plan assets	4,568,508	5,028,373
Employer contributions	721,099	677,892
Benefits paid	(2,578,687)	(2,614,794)
Fair value of plan assets at end of year	$ 44,278,014	$ 41,567,094
Funded status at end of year	$ 8,116,514	$ 4,378,302
Amount recognized at end of year	$ 8,116,514	$ 4,378,302
Amount recognized in net assets without donor restrictions:		
Unrecognized prior service cost	$ 28,347	$ 53,376
Unrecognized net actuarial (gain) loss	(1,133,780)	1,589,494
Total amount recognized in net assets without donor restrictions	$ (1,105,433)	$ 1,642,870
Components of net pension benefit (income) cost:		
Service cost	$ 498,815	$ 579,046
Interest cost	1,876,188	1,884,966
Expected return on plan assets	(2,668,842)	(2,472,142)
Amortization of net loss	-	141,587
Amortization of prior service cost	25,029	28,317
Net periodic pension benefit (income) cost	$ (268,810)	$ 161,774

	2025	2024
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:		
Net actuarial gain	$ (2,723,274)	$ (5,359,218)
Amortization of prior service cost	(25,029)	(28,317)
Amortization of net loss	-	(141,587)
Total amount recognized in net assets without donor restrictions	$ (2,748,303)	$ (5,529,122)
Additional information:		
Accumulated benefit obligation	$ 33,899,510	$ 34,727,897

The Priest Plan assets fully met obligations and no expenses were recorded by Central Services for years ended June 30, 2024 and 2023.

Expected benefit payments for the fiscal years ending:

2026	$ 2,584,000
2027	2,595,000
2028	2,561,000
2029	2,572,000
2030	2,578,000
Next five years	12,698,000

Significant assumptions used to determine net periodic pension cost are as follows:

	2025	2024
Discount rate	5.49%	5.38%

The discount rate has a significant effect on the amounts reported. For example, an increase in the fiscal year 2025 discount rate by 1% point would decrease projected benefit obligations by $3,571,000. Decreasing the fiscal year 2025 discount rate by 1% point would increase projected benefit obligations by $4,359,000.

Central Services utilizes a long-term rate of return of 6.5% in developing actuarial estimates. The Priest Plan's assets are managed by external investment managers who are given the return objectives of achieving a minimum of 6.5% over a complete market cycle and annual income of 3.5% to 5.0%. The Priest Plan has achieved 7.1% annual return the past seven years. The Priest Plan's asset allocation at June 30, by asset category, was as follows:

	Target	Actual
2025:		
Money market	0 - 10%	5%
Fixed income	20 - 50	21
Equities - U.S.	25 - 60	59
Equities - non-U.S.	10 - 25	15
2024:		
Money market	0 - 10%	5%
Fixed income	20 - 50	23
Equities - U.S.	25 - 60	58
Equities - non-U.S.	10 - 25	14

On a regular basis the performance of the investments are reviewed by an independent investment committee. The investment committee also reviews the actual asset allocation and periodically rebalances the investment portfolio to the target allocation, when considered appropriate.

The following tables present the fair value of the Priest Plan's assets classified under the appropriate level of the fair value hierarchy:

	Level 1	Level 2	Level 3	NAV	Total Fair Value
June 30, 2025:					
Cash equivalents	$ 2,906,750	$ -	$ -	$ -	$ 2,906,750
Fixed income	2,087,471	1,877,612	248,110	-	4,213,193
Equities	25,743,412	-	-	-	25,743,412
Alternative funds	-	-	-	11,414,659	11,414,659
	$30,737,633	$ 1,877,612	$ 248,110	$11,414,659	$ 44,278,014

	Level 1	Level 2	Level 3	NAV	Total Fair Value
June 30, 2024:					
Cash equivalents	$ 2,678,952	$ -	$ -	$ -	$ 2,678,952
Fixed income	2,449,009	1,776,999	248,110	-	4,474,118
Equities	23,478,163	-	-	-	23,478,163
Alternative funds	-	-	-	10,935,861	10,935,861
	$28,606,124	$ 1,776,999	$ 248,110	$10,935,861	$ 41,567,094

The following tables detail certain attributes pertaining to the investment reported at fair value using NAV, or its equivalent, as of June 30, 2025 and 2024:

2025

Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Commingled Core Bond and U.S. Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and U.S. equity markets	$ 11,414,659	2	$ -	N/A	Full liquidity	Daily, Monthly	5 days

2024

Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Commingled Core Bond and U.S. Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and U.S. equity markets	$ 10,935,861	2	$ -	N/A	Full liquidity	Daily, Monthly	5 days

NOTE 14 - POST-RETIREMENT BENEFIT PLANS

Central Services administers and participates in two post-retirement benefit plans - a discontinued plan for retired lay employees and a plan for retired priests. In determining the Lay and Priest Post-Retirement medical plans funded status, Central Services recognizes the difference between plan assets at fair value and the benefit obligation. Any unrecognized gain or loss incurred is recorded as a component of net assets without donor restrictions.

Retired Lay Employees

Central Services provides a single-employer, under a common central group, defined benefit health care plan for lay employees (the “Lay Post-retirement Plan” or “Plan”). The Lay Post-retirement Plan provides post-retirement medical benefits to lay employees of the greater Corporation Sole, parishes, schools and certain affiliated organizations who retired by June 30, 1997, after age 55 and with at least 15 years of service. The June 30, 1997 requirement was a result of the Plan being frozen effective February 1, 1997. No additional participants will be added to the Plan. The Plan is contributory with retiree contributions adjusted annually by the expected annual inflation rate and contains cost savings features such as deductibles and coinsurance. Central Service’s policy is to fund the actual cost of the medical benefit less retiree contributions. The Lay Post-retirement Plan does not have any assets in a trust. The unfunded obligation associated only with Central Services retirees is shown as a liability on the Combined Entities’ combined statements of financial position.

The portion of the unfunded benefit obligation of the Lay Post-retirement Plan associated with Central Services for their lay employees was $81,224 and $79,441 for the years ended June 30, 2025 and 2024, respectively.

Retired Priests

Central Services also provides a single-employer, under a common central group, defined benefit health care plan that provides post-retirement medical benefits to all Archdiocesan priests upon retirement from Corporation Sole (the “Priest Post-retirement Plan”). In addition, Central Services sponsors plans providing subsidized living arrangements and subsidized auto insurance for these retired priests. The Priest Post-retirement Plan is noncontributory except for the excess of auto insurance premiums over the fixed subsidy and a portion of dental and vision coverage. In certain cases, Central Services provides for nursing home care. Central Services’ policy is to fund the actual cost of the medical and other benefits less amounts contributed by the retirees described above. A separate trust is maintained for the Priest Post-retirement Plan. Unfunded obligations of the Priest Post-retirement Plan are shown as a liability, net of the corresponding assets in the trust.

The unfunded benefit obligation of the Priest Post-retirement Plan was $5,309,659 and $6,029,963 as of June 30, 2025 and 2024, respectively, and is included in the combined statements of financial position. Changes in the years were impacted by market conditions to investments and obligation valuations.

The Priest Post-retirement Plan’s unfunded status, accumulated post-retirement obligation, and net periodic post-retirement benefit cost information as of June 30 were calculated by consulting actuaries and are summarized as follows:

	2025	2024
Change in projected benefit obligation:		
Benefit obligation at beginning of year	$ 21,563,077	$ 20,169,563
Service cost	584,617	557,194
Interest cost	1,172,659	989,833
Actuarial loss	161,907	1,428,916
Benefits paid and plan expenses	(1,348,718)	(1,582,429)
Benefit obligation at end of year	$ 22,133,542	$ 21,563,077
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 15,533,114	$ 14,290,533
Actual return on plan assets	1,145,566	1,108,927
Employer contributions	1,493,921	1,716,083
Benefits paid	(1,348,718)	(1,582,429)
Fair value of plan assets at end of year	$ 16,823,883	$ 15,533,114
Funded status at end of year	$ (5,309,659)	$ (6,029,963)
Amount recognized at end of year	$ (5,309,659)	$ (6,029,963)
Amount recognized in net assets without donor restrictions		
Unrecognized net actuarial gain	$ (6,953,605)	$ (7,221,312)
Total amount recognized in net assets without donor restrictions	$ (6,953,605)	$ (7,221,312)

	2025	2024
Components of net post-retirement benefit costs		
Service cost	$ 584,617	$ 557,194
Interest cost	1,172,659	989,833
Expected return on plan assets	(1,009,652)	(928,885)
Amortization of net gain	(241,714)	(433,089)
Net periodic post-retirement benefit cost	$ 505,910	$ 185,053
Other changes in plan assets and benefit obligations recognized in net assets without donor restrictions:		
Net actuarial loss	$ 25,993	$ 1,248,874
Amortization of actuarial gain	241,714	433,089
Total amount recognized in net assets without donor restrictions	$ 267,707	$ 1,681,963

Expected benefit payment for fiscal years ending:

2026	$ 1,645,000
2027	1,301,000
2028	1,213,000
2029	1,432,000
2030	1,456,000
Next five years	7,205,000

Significant assumptions used in determining net periodic post-retirement cost are as follows:

	2025	2024
Discount rate	5.58%	5.42%
Health care - medical	8.90*	9.20*
Nursing home/auto	4.50	4.50
Dental	4.50	4.50

* Trending downward to 4.50% by 2034

The health care cost trend rate assumption has a significant effect on the amounts reported. For example, increasing the health care trend rate by 1% point in each year would increase the accumulated post-retirement benefit obligation at June 30, 2025 by $3,180,000 and the aggregate of service and interest cost components of net periodic post-retirement benefit cost for the year by $363,000. Decreasing the health care rate by 1% point in each year would decrease the accumulated post-retirement benefit obligation at June 30, 2025 by $2,584,000 and the aggregate of service and interest cost components of net periodic post-retirement benefit cost for the year ended by $279,000.

Central Services utilizes a long-term rate of return of 6.5% in developing actuarial estimates. The Plans assets are managed by external investment managers who are given the return objectives of achieving a minimum of 6.5% over a complete market cycle and annual income of 3.5% to 5.0%. The Plan has achieved a 7.3% annual return over the past seven years. The estimated amount to be amortized from accumulated net assets without donor restrictions into net periodic benefit costs over the next fiscal year is $0.

The Plan's asset allocation at June 30, by asset category, was as follows:

	Target	Actual
2025:		
Money market	0 - 10%	6%
Fixed income	20 - 50	20
Equities - U.S.	25 - 60	59
Equities - non-U.S.	10 - 25	15
Alternatives	0 - 20	-
2024:		
Money market	0 - 10%	6%
Fixed income	20 - 50	23
Equities - U.S.	25 - 60	58
Equities - non-U.S.	10 - 25	13
Alternatives	0 - 20	-

On a regular basis the performance of the investments are reviewed by an independent investment committee. The investment committee also reviews the actual asset allocation and periodically rebalances the investment to the target allocation when considered appropriate.

The following tables present the fair value of priest post-retirement assets classified under the appropriate level of the fair value hierarchy as of June 30:

	Level 1	Level 2	Level 3	NAV	Total Fair Value
2025:					
Cash equivalents	$ 1,107,653	$ -	$ -	$ -	$ 1,107,653
Fixed income	794,038	694,171	250,000	-	1,738,209
Equities	9,714,775	-	-	-	9,714,775
Alternative funds	-	-	-	4,263,246	4,263,246
	$11,616,466	$ 694,171	$ 250,000	$ 4,263,246	$ 16,823,883

	Level 1	Level 2	Level 3	NAV	Total Fair Value
2024:					
Cash equivalents	$ 1,114,360	$ -	$ -	$ -	$ 1,114,360
Fixed income	939,414	614,552	250,000	-	1,803,966
Equities	8,642,072	-	-	-	8,642,072
Alternative funds	-	-	-	3,972,716	3,972,716
	$10,695,846	$ 614,552	$ 250,000	$ 3,972,716	$ 15,533,114

The following tables detail certain attributes pertaining to the investment reported at fair value using NAV, or its equivalent, as of June 30, 2025 and 2024:

2025

Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Commingled Core Bond and US Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and US equity markets	$ 4,263,246	2	$ -	N/A	Full liquidity	Daily, Monthly	5 days

2024

Type	Strategy	Fair Value	# of Funds	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions	Redemption Notice Period
Commingled Core Bond and US Equity Fund	To preserve capital and generate current income by investing in securities providing exposure to fixed income and US equity markets	$ 3,972,716	2	$ -	N/A	Full liquidity	Daily, Monthly	5 days

NOTE 15 - TAX-EXEMPT AND LONG-TERM NOTES PAYABLE

Central Services has two long-term financing arrangements with a balance of $23,879,203 and $25,136,188 as of June 30, 2025 and 2024, respectively.

Bank Qualified Tax-Exempt Note Payable

In June 2007, the Maryland Health and Higher Educational Facilities Authority ("MHHEFA") issued revenue bonds in the amount of $24,165,000. The net proceeds were for financing and refinancing a portion of the costs of acquisition, construction, renovation and equipping of six projects at three elementary school facilities, two secondary school facilities and the facility housing the overall school administration.

In December 2010, Central Services entered into new financing arrangements and terms on its tax-exempt debt. Through the MHHEFA, a commercial financial institution purchased all of the 2007 issued revenue bonds outstanding and entered into a bank qualified tax-exempt loan with Central Services.

The bank qualified tax-exempt loan has a monthly floating interest rate based on Secured Overnight Financing Rate ("SOFR"). The weighted interest rate for the fiscal years ended June 30, 2025 and 2024 was 4.66% and 4.70%, respectively. The bank qualified tax-exempt loan requires Central Services to pledge collateral in the form of property equal to the amount outstanding. The bank qualified loan requires compliance with certain financial covenants and other performance requirements. Central Services is in compliance with these requirements as of June 30, 2025 and 2024.

Central Services has entered into an interest rate swap agreement for half of the principal amount due with a fixed rate of 3.973%. The interest rate swap agreement originated in 2007 was not affected by the re-financing terms. It is identified as Swap No. 1 in Note 10 – Interest Rate Swaps. In August 2011, Central Services entered into an additional interest rate swap agreement for the remaining principal amount due with a fixed rate of 2.75%. This interest rate swap agreement identified as Swap No. 3 in Note 10 – Interest Rate Swaps became effective July 2012.

The debt is expected to be fully paid in June 2037. Principal payments due over the next five years and thereafter are as follows:

Fiscal Years Ending June 30,	
2026	$ 1,228,750
2027	1,359,583
2028	1,429,167
2029	1,503,750
2030	1,578,750
Thereafter	14,167,083
	$ 21,267,083

Long-Term Note Payable

Central Services entered into a financing arrangement with a commercial financial institution maturing in fiscal 2029. The financing agreement consists of two separate notes each requiring certain collateral. As of June 30, 2025 and 2024, Note A has an outstanding balance of $1,088,590 and $2,017,647, respectively. Note B outstanding amounts were $1,523,530 and $1,443,541 as of June 30, 2025 and 2024, respectively.

Note A is secured by certain cash funds equal to the outstanding amount with a variable interest rate of SOFR plus 85 bps. Note B is secured by certain cash funds equal to the outstanding amount with a variable interest rate of SOFR plus 85 bps. The weighted-interest rate of the total term loans for fiscal years 2025 and 2024 was 5.87% and 6.43%, respectively.

Central Services also entered into an interest rate swap agreement for half of the principal amount due with a fixed rate of 5.86%.

The new swap has a fixed rate of 6.144%. The swap agreement is identified as Swap No. 2 in Note 10 – Interest Rate Swaps.

The note requires compliance with certain financial covenants and other performance requirements. Central Services is in compliance with these requirements as of June 30, 2025. Principal payments due over the next five years and thereafter are as follows:

Fiscal Years Ending June 30,	
2026	$ 849,068
2027	849,068
2028	849,068
2029	64,916
	$ 2,612,120

NOTE 16 - NOTES PAYABLE - CATHOLIC COMMUNITY SCHOOL LAND, INC.

On December 31, 2019, CCSLC entered into a New Market Tax Credit (“NMTC”) transaction related to the construction of Mother Mary Lange School (the “School”), a kindergarten through eighth grade school located in West Baltimore City. CCSLC will construct and own the land and fixed assets of the School and the School will starting paying lease payments annually beginning in 2021 to CCSLC. The NMTC transaction provides long-term debt financing to CCSLC through two notes payable (Note A & Note B, respectively) issued by Harbor Community Fund XXI LLC, totaling $4,900,000. Note A totaled $3,486,900 as of June 30, 2025 and 2024 and matures December 1, 2054. Note A requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $34,869 was incurred during the years ended June 30, 2025 and 2024, respectively, on Note A. Note B totaled $1,413,100 as of June 30, 2025 and 2024, and matures on December 1, 2054. Note B requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $14,131 was incurred during the years ended June 30, 2025 and 2024, respectively, on Note B.

At the closing of the CCSLC NMTC transaction, CCSLC and the investor executed put and call option agreements that would grant the respective investor the right and obligation to cause CCSLC to purchase (within three months after the seven-year compliance period) the investor’s membership interest in the fund (i.e., the “put”) for a predetermined purchase price of approximately $1,000 plus transfer taxes, other closing costs and fees as stipulated in the agreement. If the investor does not elect to put its interests to CCSLC beyond the end of month 87, CCSLC will have the right to call its purchase right in the fund for the greater of the current fair market value or the put price. If the put option is exercised, any resulting gain on the extinguishment of the related note payable will be recognized on the combined statement of activities at that time.

On November 20, 2020, CCSLC entered into a second NMTC transaction related to the construction of the School. The NMTC transaction provides long-term debt financing to CCSLC through four additional notes payable (Note C, Note D, Note E and Note F) issued by Harbor Community Fund XXI LLC totaling $19,110,000. Note C totaled $9,365,971 as of June 30, 2025 and 2024 and matures December 1, 2059. Note C requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $93,660 was incurred during the during the years ended June 30, 2025 and 2024 on Note C. Note D totaled $2,884,029 as of June 30, 2025, and matures on December 1, 2059. Note D requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $28,840 was incurred during the during the years ended June 30, 2025 and 2024 on Note D. Note E totaled $5,327,471 as of June 30, 2025 and 2024, and matures on December 1, 2059. Note E requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $53,275 was incurred during the during the years ended June 30, 2025 and 2024 on Note E. Note F totaled $1,532,529 as of June 30, 2025 and 2024, and matures on December 1, 2059. Note F requires only interest payments until December 10, 2028, when principal payments begin. Interest expense of $15,325 was incurred during the years ended June 30, 2025 and 2024 on Note F.

At the closing of the second CCSLC NMTC transaction, CCSLC and the investor executed put and call option agreements that would grant the respective investor the right and obligation to cause CCSLC to purchase (within three months after the seven-year compliance period) the investor’s membership interest in the fund (i.e., the “put”) for a predetermined purchase price of approximately $1,000 plus transfer taxes, other closing costs and fees as stipulated in the agreement. If the investor does not elect to put its interests to CCSLC beyond the end of month 87, CCSLC will have the right to call its purchase right in the fund for the greater of the current fair market value or the put price. If the put option is exercised, any resulting gain on the extinguishment of the related note payable will be recognized on the combined statement of activities at that time.

Each respective Note entered into through the NMTC transactions carries an interest rate of 1.00%. The notes related to the NMTC transactions require compliance with certain financial covenants and other performance requirements. Central Services is in compliance with these requirements as of June 30, 2025 and 2024.

NOTE 17 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	2025	2024
Subject to expenditure for specified purpose:		
Partners In Excellence activities:		
Catholic school tuition assistance	$ 145,052	$ 201,495
Embracing our Mission capital campaign activities:		
Parish support	179,919	179,919
Other Central Services initiatives:		
Catholic school tuition assistance and other support	503,540	64,263
Disability assistance programs	133,577	158,302
Capital – Towson Newman Center	407,416	457,416
UMBC Newman Center program	26,002	-
Apostle Ship of the Sea – Seafarer's Program	313,760	276,821
Black American ministry program	100,000	-
Grief Ministry program	10,944	-
Other mission related programs	415,394	414,573
	2,235,604	1,752,789
Investments held in perpetuity and split-interest agreements	19,936,077	18,744,432
Total net assets with donor restrictions	$ 22,171,681	$ 20,497,221

Net assets were released from restrictions by incurring expenses satisfying the following donor-stipulated purpose or time restrictions for the years ended June 30:

	2025	2024
Purpose restrictions accomplished:		
Partners in Excellence – Catholic school tuition assistance	$ 248,148	$ 260,955
Embracing our Mission – Parish support	-	25,000
Other Central Services initiatives:		
Catholic school tuition assistance and other support	2,344,768	2,305,631
Disability assistance programs	49,783	63,816
Apostle Ship of the Sea – Seafarer's Program	45,144	42,158
Other mission related programs	479,817	244,462
Total net assets released from restrictions	$ 3,167,660	$ 2,942,022

NOTE 18 - LEASES

The operating lease ROU assets and corresponding operating lease liabilities totaled $693,841 and $1,046,012 as of June 30, 2025 and 2024, respectively. The operating lease ROU assets are reported in the combined statement of financial position as a component of prepaids and other assets. The operating lease liabilities are reported in the combined statement of financial position as a component of accounts payable, accrued expenses and interest rate swap agreements.

The Archdiocese does not allocate consideration between lease and non-lease components, such as operating costs, as the Archdiocese has elected to not separate lease and non-lease components for any leases within its existing classes of assets. The Archdiocese does not recognize ROU assets and corresponding lease liabilities with a lease term of 12 months or less from the lease commencement date. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred.

The components of lease cost follow as of June 30, 2025 and 2024:

	2025	2024
Operating lease costs	$ 396,986	$ 287,082
Short term lease costs	-	16,758
	$ 396,986	$ 303,840

The operating lease costs are reflected on the combined statement of functional expenses within the Occupancy line. Cash paid for amounts operating lease liabilities was $396,986 and $287,082 for the years ended June 30, 2025 and 2024, respectively. ROU obtained in exchange for new operating lease liabilities were $37,578 and $38,363 for the years ended June 30, 2025 and 2024, respectively.

The following table represents the weighted-average remaining lease term and discount rate as of June 30, 2025 and 2024:

	2025	2024
Weighted average remaining lease term (years)	3.23	3.46
Weighted average discount rate	3.28%	3.45%

Future undiscounted lease payments for the Archdiocese's operating lease liabilities are as follows as of June 30, 2025:

2026	$ 288,421
2027	157,476
2028	150,826
2029	131,084
Total future lease payments	727,807
Less: imputed interest	(33,966)
Present value of lease liabilities	$ 693,841

Rental income is recognized on a straight-line basis over the life of the lease agreement. When cash payments under the lease differ from the straight-line method of income recognition, an uncollected rent asset is recognized. As of June 30, 2025 and 2024, an uncollected rent asset of $1,216,142 and $810,761, respectively, was recorded within other assets on the combined statement of financial position related to one lease contract.

Rental income recorded on the lease contracts was $981,600 and $975,761 for the years ended June 30, 2025 and 2024, respectively, and recorded within other income on the combined statement of activities. Cash received for rental payments was $576,220 and $570,079 in fiscal years 2025 and 2024, respectively.

NOTE 19 - RELATED PARTY TRANSACTIONS

Central Services leases office space to certain affiliated organizations. Rental income from these leases included in other income within the combined statements of activities was $162,550 and $159,500 for years ended June 30, 2025 and 2024, respectively.

There is a sponsorship agreement between Central Services and Mercy Ridge, Inc. whereby Central Services earns an annual payment per each assisted and independent living unit, subject to a consumer price index increase, and is contingent upon Mercy Ridge, Inc. meeting its occupancy test as defined in the Amended and Restated Sponsorship Agreement. For the years ended June 30, 2025 and 2024, the Archdiocese received sponsorship fees from Mercy Ridge, Inc. totaling $755,755 and $733,688, respectively. Central Services provided funds to pay expenses for the care of certain retired priests residing at Mercy Ridge, Inc. during the years ended June 30, 2025 and 2024. Total expenses paid to Mercy Ridge were $985,415 and $1,168,472, respectively.

Central Services was awarded $70,800 and $28,000 in grants to fund special projects and operations from John Carroll Foundation in the Archdiocese of Baltimore (“JCF”), a non-combined affiliate within the Archdiocese, for the years ended June 30, 2025 and 2024.

Central Services awarded grants of $3,637,049 and $4,929,061 to parishes and schools for the years ended June 30, 2025 and 2024, respectively. Included in Central Services awards in fiscal years 2025 and 2024, respectively, are $1,261,825 and $1,508,461 in tuition assistance from Partners in Excellence, $2,368,349 and $2,761,564 in tuition assistance and subsidy to Archdiocesan schools and other grants of $6,875 and $659,036.

The Archbishop’s Annual Appeal annual campaign awarded grants of $2,095,361 and of $2,786,716 to parishes, schools, and other Archdiocesan entities for the years ended June 30, 2025 and 2024, respectively.

Central Services was awarded $2,194,149 and $2,038,721 in grants to fund specific operating areas from CCF for the years ended June 30, 2025 and 2024, respectively. Additionally, Central Services recorded $900,000 and $873,144 in fee income to provide administrative services for CCF.

Central Services recorded $248,000 and $80,000 in fee income to provide administrative services to IPLF for years ended June 30, 2025 and 2024, respectively.

NOTE 20 - CONTINGENCIES

Litigation

During fiscal 2024 legislation was changed and the State of Maryland, through the Child Victims Act, eliminated the statute of limitations for child sexual abuse cases. In response, the Archdiocese filed for chapter 11 reorganization to provide a process for all victim survivors to be compensated while continuing the mission and ministries of the Church, including its parishes, schools, and charitable institutions. In a court hearing on December 18, 2023, the court set May 31, 2024 as the deadline by which anyone who has a claim against the Archdiocese, including anyone who was abused before September 29, 2023, by clergy, religious or employees in the Archdiocese, must submit a claim to be included in the potential settlement. After chapter 11 reorganization, future claims relating to past incidents of abuse cannot be brought against the Archdiocese and would be channeled to an established trust. At this time, other than estimated amounts recorded that pertain to the period the Combined Entities were self-insured for sexual misconduct, management cannot determine the merits of the related claims or the extent of the liability not covered by insurance potentially impacting the Combined Entities resulting from these claims, however such claims could have a significant material effect on the Combined Entities' financial condition and results of operations.

The Combined Entities, in the ordinary course of business, are also a party to various other general litigation arising from Archdiocesan activities. While it is not feasible to predict the ultimate outcomes of such other litigation, management of the Combined Entities are not aware of any claims or contingencies, which are not covered by insurance that would have a material adverse effect on the Combined Entities' financial position, changes in net assets and cash flows for these other matters.

Letter of Credit

At June 30, 2025 and 2024, Central Services had available letters of credit totaling $20,000 and $48,815, respectively. The purpose of these arrangements is to secure funding for capital projects.

NOTE 21 - SUBSEQUENT EVENTS

The Combined Entities evaluated its June 30, 2025 combined financial statements for subsequent events through December 19, 2025, the date the combined financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure to the accompanying combined financial statements.

SUPPLEMENTARY INFORMATION

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

SCHEDULE OF INSURANCE OPERATIONS

Year ended June 30, 2025

Schedule I

	General Reserve Fund*	Health Reserve Fund	Misconduct Fund	2025 Total
Premium contributions	$ 22,739,062	$ 49,356,366	$ 2,099,449	$ 74,194,877
Premium expense	9,406,230	2,040,966	43,420	11,490,616
Claims expense	5,055,872	44,363,661	14,587,656	64,007,189
Administrative charges	3,527,832	2,009,090	590,852	6,127,774
Other expenses	1,037,426	1,654,978	-	2,692,404
Total expenses	19,027,360	50,068,695	15,221,928	84,317,983
Net operating surplus (deficit)	3,711,702	(712,329)	(13,122,479)	(10,123,106)
Investments:				
Return on investments, net	4,091,895	1,641,886	1,372,728	7,106,509
Net surplus (deficit)	$ 7,803,597	$ 929,557	$ (11,749,751)	$ (3,016,597)

* Includes property and casualty, auto, worker's compensation, short-term and long-term disability, unemployment and life insurance.

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

SCHEDULE OF INSURANCE OPERATIONS

Year ended June 30, 2024

Schedule I

	General Reserve Fund*	Health Reserve Fund	Misconduct Fund	2024 Total
Premium contributions	$ 21,001,470	$ 45,806,606	$ 1,767,049	$ 68,575,125
Premium expense	9,337,683	2,410,128	246,017	11,993,828
Claims expense	3,012,140	42,898,719	3,723,183	49,634,042
Administrative charges	3,581,506	1,829,828	746,957	6,158,291
Other expenses	972,762	1,874,197	-	2,846,959
Total expenses	16,904,091	49,012,872	4,716,157	70,633,120
Net operating surplus (deficit)	4,097,379	(3,206,266)	(2,949,108)	(2,057,995)
Investments:				
Return on investments, net	3,900,654	1,637,935	1,246,057	6,784,646
Net surplus (deficit)	$ 7,998,033	$ (1,568,331)	$ (1,703,051)	$ 4,726,651

* Includes property and casualty, auto, worker’s compensation, short-term and long-term disability, unemployment and life insurance.

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CENTRAL SERVICES

STATEMENTS OF FINANCIAL POSITION

June 30,

Schedule II

	2025	2024
ASSETS		
Cash and cash equivalents	$ 23,453,307	$ 21,022,546
Investments:		
Investments - general	11,082,530	15,332,994
Board-designated to support Central Service programs	31,668,539	30,165,041
Board-designated for insurance programs	69,484,969	67,603,189
Board-designated for Partners in Excellence	555,194	573,103
Investments held in perpetuity and split-interest agreements	19,936,077	18,744,432
Total investments	132,727,309	132,418,759
Amounts held on behalf of others	4,211,217	3,763,125
Prepaids and other assets	6,422,936	6,010,944
Loans and accounts receivable from Archdiocesan parishes and schools, net	33,244,455	29,278,858
Contributions receivable, net	747,024	395,257
Property and equipment, net	14,775,140	15,195,348
Total assets	$ 215,581,388	$ 208,084,837
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, accrued expenses and interest rate swap agreements	$ 14,805,414	$ 13,827,104
Amounts held on behalf of others and liabilities to related entities	5,295,530	4,573,618
Grants payable	236,052	147,535
Claims reserve for insurance liabilities	13,302,796	11,748,075
Pension and post-retirement benefit obligation, net	6,410,752	12,145,372
Tax-exempt and long-term notes payable	23,879,203	25,136,188
Total liabilities	63,929,747	67,577,892
Net assets		
Without donor restrictions	129,659,879	120,189,644
With donor restrictions	21,991,762	20,317,301
Total net assets	151,651,641	140,506,945
Total liabilities and net assets	$ 215,581,388	$ 208,084,837

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CENTRAL SERVICES

STATEMENT OF ACTIVITIES

Year ended June 30, 2025

Schedule III

	Department of Vicariate and Pastoral Leadership	Department of Management Services	Department of Development	Department of Human Resources	Department of Evangelization	Department of Catholic Schools	General Operations and Parish Support	Total 2025
Operating revenue								
Cathedraticum	$ 6,622,804	$ 3,105,902	$ 987,332	$ 976,289	$ 1,500,053	$ 1,229,543	1,378,077	$ 15,800,000
Program service fees	736,124	2,935,051	1,109,453	294,465	387,754	1,184,437	211,334	6,858,618
Annual appeal gifts and pledges, net	1,020,000	-	-	-	1,080,000	-	515,000	2,615,000
CCF grant revenue	819,802	25,023	-	-	53,074	443,982	1,159,474	2,501,355
Contributions and bequests	1,153,301	-	1,165	-	279,756	21,715	2,982,150	4,438,087
Other income	704,941	386,434	-	-	12,589	2,000	722,239	1,828,203
Investment earnings, net	186,943	85,091	77,678	-	64,826	45,258	1,621,530	2,081,326
Total operating revenue	11,243,915	6,537,501	2,175,628	1,270,754	3,378,052	2,926,935	8,589,804	36,122,589
Operating expenses								
Salaries and benefits	4,935,385	4,922,651	1,925,733	1,086,827	1,973,506	1,899,579	-	16,743,681
Program and office expense	5,446,933	1,528,478	222,841	183,927	1,247,539	937,181	2,490,528	12,057,427
Professional fees - Operational	612,976	80,372	27,054	-	152,156	43,650	1,132,635	2,048,843
Professional fees - Bankruptcy	-	-	-	-	-	-	7,368,368	7,368,368
Grants and donations	248,621	6,000	-	-	4,851	46,525	3,785,003	4,091,000
Total operating expenses	11,243,915	6,537,501	2,175,628	1,270,754	3,378,052	2,926,935	14,776,534	42,309,319
Operating (deficit)	-	-	-	-	-	-	(6,186,730)	(6,186,730)
Other activity								
Bond financing project, net	-	-	-	-	-	-	(575,947)	(575,947)
Insurance operations, net	-	-	-	-	-	-	8,698,943	8,698,943
Clergy on special assignment	-	-	-	-	-	-	(469,539)	(469,539)
Retired clergy medical care, net	-	-	-	-	-	-	(60,829)	(60,829)
Pension and post-retirement related activity other than service cost	-	-	-	-	-	-	4,651,188	4,651,188
Net realized and unrealized gain on investments	-	-	-	-	-	-	4,205,307	4,205,307
Loss from interest rate swap agreements	-	-	-	-	-	-	(201,126)	(201,126)
Total other activity	-	-	-	-	-	-	16,247,997	16,247,997
Total surplus	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,061,267	$ 10,061,267

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CENTRAL SERVICES

STATEMENT OF ACTIVITIES

Year ended June 30, 2024

Schedule III

	Department of Vicariate and Pastoral Leadership	Department of Management Services	Department of Development	Department of Human Resources	Department of Evangelization	Department of Catholic Schools	General Operations and Parish Support	Total 2024
Operating revenue								
Cathedraticum	$ 6,427,987	$ 3,158,477	$ 937,673	$ 878,545	$ 1,165,979	$ 1,237,398	$ 1,693,941	$ 15,500,000
Program service fees	710,860	2,437,775	1,118,208	279,576	398,968	1,043,291	-	5,988,678
Annual appeal gifts and pledges, net	1,620,000	-	-	-	1,345,000	-	515,000	3,480,000
CCF grant revenue	197,087	23,173	-	-	50,767	424,830	1,092,334	1,788,191
Contributions and bequests	1,629,584	-	-	-	91,819	9,222	2,884,695	4,615,320
Other income	711,317	429,365	-	-	7,438	-	771,095	1,919,215
Investment earnings, net	352,568	75,220	182,629	-	61,235	45,026	1,474,753	2,191,431
Total operating revenue	11,649,403	6,124,010	2,238,510	1,158,121	3,121,206	2,759,767	8,431,818	35,482,835
Operating expenses								
Salaries and benefits	4,845,784	4,733,155	1,937,801	976,426	1,857,226	1,698,859	-	16,049,251
Program and office expense	5,603,060	1,273,268	124,874	181,695	997,069	1,001,120	1,653,057	10,834,143
Professional fees - Operational	926,784	111,212	174,585	-	235,584	59,288	1,176,333	2,683,786
Professional fees - Bankruptcy	-	-	-	-	-	-	4,472,278	4,472,278
Grants and donations	273,775	6,375	1,250	-	31,327	500	5,158,395	5,471,622
Total operating expenses	11,649,403	6,124,010	2,238,510	1,158,121	3,121,206	2,759,767	12,460,063	39,511,080
Operating deficit	-	-	-	-	-	-	(4,028,245)	(4,028,245)
Other activity								
Bond financing project, net	-	-	-	-	-	-	(633,103)	(633,103)
Insurance operations, net	-	-	-	-	-	-	(1,252,198)	(1,252,198)
Clergy on special assignment	-	-	-	-	-	-	(667,911)	(667,911)
Retired clergy medical care, net	-	-	-	-	-	-	(429,696)	(429,696)
Pension and post-retirement related activity other than service cost	-	-	-	-	-	-	9,020,873	9,020,873
Net realized and unrealized gain on investments	-	-	-	-	-	-	4,357,651	4,357,651
Gain from interest rate swap agreements	-	-	-	-	-	-	492,754	492,754
Total other activity	-	-	-	-	-	-	10,888,370	10,888,370
Total surplus	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,860,125	$ 6,860,125

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

ARCHBISHOP'S ANNUAL APPEAL

STATEMENTS OF FINANCIAL POSITION

June 30,

Schedule IV

		2025		2024
ASSETS				
Cash and cash equivalents	$	4,821,485	$	3,062,022
Contributions receivable, net of allowance of $262,218 and $337,929 in 2025 and 2024, respectively		932,752		766,318
Total assets	$	5,754,237	$	3,828,340
LIABILITIES AND NET ASSETS				
Liabilities				
Grants payable	$	3,491,782	$	1,639,214
Accounts payable and accrued liabilities		1,190,620		1,606,889
Total liabilities		4,682,402		3,246,103
Net assets				
Designated without donor restrictions		1,071,835		582,237
Total liabilities and net assets	$	5,754,237	$	3,828,340

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

ARCHBISHOP'S ANNUAL APPEAL

STATEMENTS OF ACTIVITIES

Years ended June 30,

Schedule V

	2025	2024
Revenues		
Gifts and pledges	$ 7,340,140	$ 7,426,845
Credit losses	(125,766)	(281,233)
Investments, net	134,421	108,556
Total net revenue	7,348,795	7,254,168
Expenses		
Fundraising costs and administration	1,548,836	1,452,454
Grant expenditures		
Evangelization and Pastoral Services		
Associated Catholic Charities	949,096	1,047,424
Strengthening parishes and forming church leaders	1,941,265	2,694,293
Respect life ministries and programs	40,000	90,000
Chaplaincy (hospital, prison, and Apostleship of the Sea)	90,000	90,000
Hispanic ministries	100,000	100,000
Continuing education and Evangelization programs	600,000	615,000
Supporting work for the Holy Father	75,000	100,000
Total Liturgical and Pastoral Services	3,795,361	4,736,717
Priest Care and Clergy Services:		
Vocations	500,000	500,000
Sr. Priest medical care	200,000	200,000
Total Priest Care and Clergy Services	700,000	700,000
Young Adult and Youth Education Ministries:		
Tuition and school assistance	515,000	515,000
Newman Centers	250,000	250,000
O'Dwyer retreat house and Youth Ministry Support	50,000	65,000
Total Young Adult and Youth Education Ministries	815,000	830,000
Total expenses and grant expenditures	6,859,197	7,719,171
NET SURPLUS (DEFICIT)	$ 489,598	$ (465,003)

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

PARTNERS IN EXCELLENCE

STATEMENTS OF FINANCIAL POSITION

June 30,

Schedule VI

		2025		2024
ASSETS				
Cash and cash equivalents	$	290,386	$	269,951
Pledges receivable		145,052		207,495
Board-designated investments		555,194		573,103
Investments with donor restrictions		598,300		598,300
Total assets	$	1,588,932	$	1,648,849
NET ASSETS				
Net assets				
Without donor restrictions		845,581		849,054
With donor restrictions		743,351		799,795
Total net assets	$	1,588,932	$	1,648,849

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

PARTNERS IN EXCELLENCE

STATEMENTS OF ACTIVITIES

Years ended June 30,

Schedule VII

	2025	2024
Revenues		
Gifts and pledges	$ 1,422,983	$ 1,653,299
Investment income, net	72,514	64,159
Total revenues	1,495,497	1,717,458
Expenses		
Fund raising expenditures	287,589	370,254
Adult and faith education ministries - tuition assistance	1,261,825	1,255,387
Total expenses	1,549,414	1,625,641
NET (DEFICIT) SURPLUS	$ (53,917)	$ 91,817

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CHILD NUTRITION PROGRAM

STATEMENTS OF FINANCIAL POSITION

June 30,

Schedule VIII

	2025	2024
ASSETS		
Cash and cash equivalents	$ 104,385	$ 3,383
Accounts receivable	142,681	148,567
Property and equipment, net	19,923	23,597
Total assets	$ 266,989	$ 175,547
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 176,825	$ 85,383
Total liabilities	176,825	85,383
Net assets		
Without donor restriction	90,164	90,164
Total liabilities and net assets	$ 266,989	$ 175,547

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CHILD NUTRITION PROGRAM

STATEMENTS OF ACTIVITIES

Years ended June 30,

Schedule IX

	2025	2024
Revenues		
Federal reimbursements	$ 988,201	$ 991,947
State reimbursements	45,703	43,598
Commodities received	97,609	-
Food sales at schools	53,895	102,770
Other income	256,682	308,671
Total revenues	1,442,090	1,446,986
Expenses		
Salaries and benefits	626,430	667,114
Food services, storage and commodities	722,070	737,029
Equipment rentals and expenses	7,850	11,051
Office supplies and miscellaneous	85,740	80,779
Total expenses	1,442,090	1,495,973
NET DEFICIT	$ -	$ (48,987)

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities)

CATHOLIC COMMUNITY SCHOOL LAND CORP.

STATEMENTS OF FINANCIAL POSITION

June 30,

Schedule X

	2025	2024
ASSETS		
Cash and cash equivalents	$ 79,054	$ 52,694
Prepaid and other assets	1,838,576	1,719,856
Property and equipment, net	21,404,052	22,149,329
Total assets	$ 23,321,682	$ 23,921,879
LIABILITIES AND NET DEFICIT		
Liabilities		
Management fees payable	$ 36,458	$ 36,458
Interest payable	140,058	140,058
Notes payable	24,010,000	24,010,000
Total liabilities	24,186,516	24,186,516
Net deficit		
With donor restrictions	(864,834)	(264,637)
Total liabilities and net deficit	$ 23,321,682	$ 23,921,879

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.

Central Services of the Roman Catholic Archbishop of Baltimore
(a corporation sole of the State of Maryland), and other combined entities

CATHOLIC COMMUNITY SCHOOL LAND CORP.

STATEMENTS OF ACTIVITIES

Years ended June 30,

Schedule XI

	2025	2024
Revenues		
Rental income	$ 734,381	$ 734,381
Total revenues	734,381	734,381
Expenses		
Professional and management fees	172,591	172,591
Interest expense	416,710	416,710
Depreciation expense	745,277	745,277
Total expenses	1,334,578	1,334,578
NET DEFICIT	$ (600,197)	$ (600,197)

This schedule should be read in conjunction with the accompanying report of independent certified public accountants and the combined financial statements and notes thereto.