
The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

*Combined Financial Statements,
Supplementary Information, and
Independent Auditor's Report
June 30, 2025 and 2024*

redw
Advisors & CPAs

The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

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Independent Auditor's Report

Archdiocesan Finance Council

The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

Opinion

We have audited the financial statements of The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe (a non-profit organization) and affiliates (collectively, the "Pastoral Center"), which comprise the combined statements of financial position as of June 30, 2025 and 2024, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the combined financial position of the Pastoral Center as of June 30, 2025 and 2024, and the combined changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Other Matter

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

REDW LLC

Phoenix, Arizona
November 21, 2025

Combined Financial Statements

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Combined Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 8,981,441	\$ 7,252,617
Cash, cash equivalents, and investments held in Deposit and Loan Trust Fund	39,941,074	23,986,322
Receivables from parishes and other church-related organizations, current maturities, net	883,333	855,118
Deposit and Loan Trust Fund loans receivable from parishes and other church-related organizations, current maturities, net	1,648,548	1,995,502
Tribunal receivables, net	1,735	1,750
Unconditional promises to give receivable, net	796,751	812,308
Accrued interest and dividends receivable	122,838	117,072
Prepaid expenses, deposits, and other assets	21,111	292,914
Total current assets	<u>52,396,831</u>	<u>35,313,603</u>
Investments	6,609,311	5,808,028
Receivables from parishes and other church-related organizations, less current maturities, net	387,900	243,000
Deposit and Loan Trust Fund loans receivable from parishes and other church-related organizations, less current maturities, net	10,813,536	13,788,385
Investment in Catholic Umbrella Pool	663,766	566,117
Investments held by the Archdiocese of Santa Fe Catholic Foundation	4,896,478	4,607,263
Investments held by Catholic Extension Society	513,129	454,240
Buildings and equipment, net	224,079	222,396
Priest long-term care and other assets	82,542	239,941
Total noncurrent assets	<u>24,190,741</u>	<u>25,929,370</u>
Total assets	<u>\$ 76,587,572</u>	<u>\$ 61,242,973</u>

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

The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

Combined Statements of Financial Position – continued June 30, 2025 and 2024

	2025	2024
Liabilities and Net Assets		
Current liabilities		
Liabilities not subject to compromise, current		
Interest bearing Deposit and Loan Trust Fund deposits payable to parishes and other church-related organizations, current maturities	\$ 47,392,370	\$ 31,797,148
Contributions payable	32,103	42,384
Notes payable, current maturities	141,576	549,055
Accounts payable and accrued expenses	778,523	1,039,391
Funds held for church-related organizations	792,341	502,180
Rebates payable to parishes	239,783	317,618
Accrued self-insured workers compensation insurance claims	332,706	332,706
Total current liabilities	<u>49,709,402</u>	<u>34,580,482</u>
Noncurrent liabilities		
Liabilities not subject to compromise, long-term		
General insurance program liabilities	3,300,559	3,017,193
Interest bearing Deposit and Loan Trust Fund deposits payable to parishes and other church-related organizations, less current maturities	8,024,003	10,887,057
Notes payable	1,800,000	1,941,683
Chapter 11 Reorganization liabilities, long-term		
Unknown future claims liability	<u>2,000,000</u>	<u>2,000,000</u>
Total noncurrent liabilities	<u>15,124,562</u>	<u>17,845,933</u>
Total liabilities	<u>64,833,964</u>	<u>52,426,415</u>
Net assets (deficit)		
Without donor restrictions	494,934	(1,424,559)
With donor restrictions	<u>11,258,674</u>	<u>10,241,117</u>
Total net assets	<u>11,753,608</u>	<u>8,816,558</u>
Total liabilities and net assets	<u>\$ 76,587,572</u>	<u>\$ 61,242,973</u>

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

The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

Combined Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues Without Donor Restrictions		
Parish assessments	\$ 4,544,158	\$ 3,957,890
Deposit and Loan Trust Fund interest and investment income	2,091,084	1,881,116
Miscellaneous	610,292	609,408
Estates and trust income	168,240	10,066
Other contributions	213,754	167,778
Interest and dividend income	507,876	475,384
Mass stipends	202,297	270,856
Second collection vocations	134,828	128,399
Net realized and unrealized gain (loss) on investments	55,206	5,438
Net assets released from restrictions		
Annual Catholic Appeal expiration of donor restrictions	2,242,416	2,547,556
Satisfaction of other donor purpose restrictions	889,374	870,553
Total operating revenues without donor restrictions	<u>11,659,525</u>	<u>10,924,444</u>
Operating Expenses Without Donor Restrictions		
Program services		
Religious personnel and education	1,752,133	1,527,269
Community services	1,009,299	1,046,091
Grant and donor funded services	889,374	870,553
Pastoral services	959,471	718,976
Deposit and Loan Trust Fund interest expense	980,942	578,519
Miscellaneous	459,315	197,649
Uncollected and uncollectible Annual Catholic Appeal promises to give	121,539	114,987
Universal Church	45,096	45,093
Total program services	<u>6,217,169</u>	<u>5,099,137</u>
Supporting services		
Administration and canonical offices	2,991,546	2,745,052
Fundraising expenses	185,528	224,402
Annual Catholic Appeal administration	108,534	110,574
Total supporting services	<u>3,285,608</u>	<u>3,080,028</u>
Total operating expenses without donor restrictions	<u>9,502,777</u>	<u>8,179,165</u>
Operating revenues less operating expenses - without donor restrictions	<u>2,156,748</u>	<u>2,745,279</u>

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Combined Statements of Activities and Changes in Net Assets – continued
For the Years Ended June 30, 2025 and 2024

	2025	2024
Other Revenues (Expenses) Without Donor Restrictions		
Employee retention credit	156,453	-
Paycheck Protection Program loan revenue recognition	-	-
St. Pius subsidy	(373,133)	(405,633)
Gain on sale of assets	2,000	1,800
Claim expense, net	(9,650)	(25,108)
Loan interest expense	(12,925)	(162,420)
Net other revenues (expenses) without donor restrictions	<u>(237,255)</u>	<u>(591,361)</u>
Change in net assets without donor restrictions	1,919,493	2,153,918
Net (deficit) assets without donor restrictions, beginning of year	<u>(1,424,559)</u>	<u>(3,578,477)</u>
Net deficit without donor restrictions, end of year	<u>494,934</u>	<u>(1,424,559)</u>
Revenues (Expenses) With Donor Restrictions		
Annual Catholic Appeal contributions	3,552,999	3,575,047
Annual Catholic Appeal rebates to parishes	(954,498)	(978,574)
Contributions from fundraising and programs	1,012,129	723,548
Change in investments held by the Catholic Foundation	479,828	420,086
Change in investments held by the Catholic Extension Society	58,889	53,200
Net assets released from restrictions		
Expiration of Annual Catholic Appeal donor restrictions	(2,242,416)	(2,547,556)
Satisfaction of other donor restrictions	<u>(889,374)</u>	<u>(870,553)</u>
Change in net assets with donor restrictions	1,017,557	375,198
Net assets with donor restrictions, beginning of year	<u>10,241,117</u>	<u>9,865,919</u>
Net assets with donor restrictions, end of year	<u>11,258,674</u>	<u>10,241,117</u>
Total change in net assets	2,937,050	2,529,116
Total net assets, beginning of year	8,816,558	6,287,442
Total net assets, end of year	<u>\$ 11,753,608</u>	<u>\$ 8,816,558</u>

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Combined Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets without donor restrictions	\$ 1,919,493	\$ 2,153,918
Change in net assets with donor restrictions	<u>1,017,557</u>	<u>375,198</u>
Total change in net assets	2,937,050	2,529,116
Adjustments to reconcile total change in net assets to net cash provided by (used in) operating activities		
Depreciation	26,188	30,768
Provision for unconditional promises to give receivable	4,008	(4,296)
Net realized and unrealized (gain) loss on investments	(55,206)	(5,438)
Net realized and unrealized (gain) on Catholic Umbrella Pool	(97,649)	(40,580)
Net realized and unrealized (gain) on investments held by Catholic Foundation	(289,215)	(231,367)
Net realized and unrealized (gain) on investments held by Catholic Extension Society	(58,889)	(53,200)
Gain on sale of assets	(2,000)	(1,800)
Changes in operating assets and liabilities		
Receivables from parishes and other church-related organizations	(173,115)	101,034
Tribunal receivables	15	933
Unconditional promises to give receivable	11,549	(42,637)
Accrued interest and dividends receivable	(5,766)	(40,366)
Prepaid expenses, deposits, priest long-term care, and other assets	429,202	(8,644)
Contributions payable	(10,281)	281
Accounts payable and accrued expenses	(260,867)	(3,731)
Funds held for church-related organizations	290,161	60,525
Rebates payable to parishes	(77,835)	21,766
Accrued self-insured workers compensation insurance claims	-	28,923
General insurance program liabilities	<u>283,366</u>	<u>(776,025)</u>
Net cash provided by (used in) operating activities	<u>2,950,716</u>	<u>1,565,262</u>

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**

**Combined Statements of Cash Flows – continued
For the Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from investing activities		
Purchases of investments	(33,824,116)	(25,973,828)
Proceeds from sales and maturities of investments	24,630,924	18,823,629
Purchases of buildings and equipment	(27,871)	(15,687)
Proceeds from sale of land, buildings, and equipment	2,000	1,800
Deposit and Loan Trust Fund receipts from parishes and other church-related organizations on loans receivable	3,673,952	2,383,610
Deposit and Loan Trust Fund disbursements to parishes and other church-related organizations on loans receivable	(352,150)	(148,778)
Net cash (used in) provided by investing activities	<u>(5,897,261)</u>	<u>(4,929,254)</u>
Cash flows from financing activities		
Net receipts from interest bearing Deposit and Loan Trust Fund deposits payable to parishes and other church-related organizations	12,732,168	3,446,620
Repayments of notes payable	(549,162)	(43,946)
Net cash provided by financing activities	<u>12,183,006</u>	<u>3,402,674</u>
Change in cash and cash equivalents	9,236,461	38,682
Cash and cash equivalents, beginning of year	14,797,530	14,758,848
Cash and cash equivalents, end of year (Note 2)	<u>\$ 24,033,991</u>	<u>\$ 14,797,530</u>
Supplemental information		
Cash paid for reorganization	<u>\$ -</u>	<u>\$ 15,004</u>
Interest paid	<u>\$ 980,942</u>	<u>\$ 578,519</u>

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe
Combined Statement of Functional Expenses
For the Year Ended June 30, 2025**

	Program Services					Supporting Services				Total Supporting Services	Total
	General Administration	Religious Personnel and Education	Community Services	Pastoral Services	Universal Church	Total Program Services	Administration and Canonical Offices	Annual Catholic Appeal Administration	Fundraising		
Payroll and related benefits	\$ -	\$ 631,199	\$ 521,387	\$ 600,102	\$ -	\$ 1,752,688	\$ 2,103,826	\$ -	\$ 183,174	\$ 2,287,000	\$ 4,039,688
Deposit and Loan Trust Fund interest expense	980,942	-	-	-	-	980,942	-	-	-	-	980,942
Grant and donor funded services	889,374	-	-	-	-	889,374	-	-	-	-	889,374
Archdiocesan subsidies	-	501,491	189,000	56,094.00	45,096	791,681	24,613	-	-	24,613	816,294
Miscellaneous expenses	459,315	200,772	35	1,968.00	-	662,090	45,968	91	-	46,059	708,149
Professional services	-	90,589	30,195	77,396.00	-	198,180	446,157	21,792	785	468,734	666,914
Internally designated program expenses	-	153,372	42,855	9,287.00	-	205,514	50,434	-	-	50,434	255,948
Special programs	-	13,855	28,372	22,308.00	-	64,535	51,581	24,262	-	75,843	140,378
Uncollected and uncollectible ACA contributions	121,539	-	-	-	-	121,539	-	-	-	-	121,539
TV mass	-	-	117,747	-	-	117,747	-	-	-	-	117,747
Utilities	-	20,316	10,980	22,094.00	-	53,390	61,120	1,610	306	63,036	116,426
Dues and memberships	-	1,833	4,515	3,995.00	-	10,343	78,075	529	-	78,604	88,947
Priest auto allowance	-	28,668	2,228	43,253.00	-	74,149	8,912	-	-	8,912	83,061
Office supplies	-	16,089	4,776	14,568.00	-	35,433	16,552	4,754	183	21,489	56,922
Travel air/food/lodging	-	13,679	2,572	1,485.00	-	17,736	29,712	1,496	-	31,208	48,944
Maintenance contracts	-	-	-	-	-	-	21,846	25,038	-	46,884	46,884
General insurance	-	10,095	4,464	5,470.00	-	20,029	24,083	1,022	504	25,609	45,638
Auto repairs and maintenance	-	7,940	6,598	15,649.00	-	30,187	15,098	34	-	15,132	45,319
Telephone	-	3,240	5,400	12,392.00	-	21,032	16,174	900	405	17,479	38,511
Food and beverage	-	11,059	5,037	4,491.00	-	20,587	13,162	-	171	13,333	33,920
Repairs and maintenance	-	-	-	19,205.00	-	19,205	12,798	-	-	12,798	32,003
Computer expense	-	6,715	1,554	7,112.00	-	15,381	10,829	1,136	-	11,965	27,346
Depreciation expense	-	-	-	10,926.00	-	10,926	15,262	-	-	15,262	26,188
Bank service charges	-	-	-	-	-	-	-	25,870	-	25,870	25,870
Rental/lease expense	-	-	-	1,600.00	-	1,600	18,492	-	-	18,492	20,092
Books/subscriptions	-	6,335	912	3,958.00	-	11,205	8,395	-	-	8,395	19,600
Small furniture, equipment, and noncapital expenses	-	-	2,992	175.00	-	3,167	2,379	-	-	2,379	5,546
Conferences and seminars	-	2,818	1,470	(1,550.00)	-	2,738	1,849	-	-	1,849	4,587
Plant maintenance expense	-	32,068	26,210	27,493	-	85,771	(85,771)	-	-	(85,771)	-
Total expenses	\$ 2,451,170	\$ 1,752,133	\$ 1,009,299	\$ 959,471	\$ 45,096	\$ 6,217,169	\$ 2,991,546	\$ 108,534	\$ 185,528	\$ 3,285,608	\$ 9,502,777

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe
Combined Statement of Functional Expenses
For the Year Ended June 30, 2024**

	Program Services					Supporting Services				Total Supporting Services	Total
	General Administration	Religious Personnel and Education	Community Services	Pastoral Services	Universal Church	Total Program Services	Administration and Canonical Offices	Annual Catholic Appeal Administration	Fundraising		
Payroll and related benefits	\$ -	\$ 623,809	\$ 527,154	\$ 404,052	\$ -	\$ 1,555,015	\$ 2,009,599	\$ -	\$ 217,051	\$ 2,226,650	\$ 3,781,665
Archdiocesan subsidies	-	544,530	179,000	92,989	45,093	861,612	22,896	-	-	22,896	884,508
Grant and donor funded services	870,553	-	-	-	-	870,553	-	-	-	-	870,553
Deposit and Loan Trust Fund loan interest expense	578,519	-	-	-	-	578,519	-	-	-	-	578,519
Professional services	-	69,227	24,033	52,110	-	145,370	307,664	22,590	3,055	333,309	478,679
Miscellaneous expenses	197,649	11,603	-	393	-	209,645	43,819	203	75	44,097	253,742
Internally designated program expenses	-	129,960	22,362	10,607	-	162,929	42,330	-	-	42,330	205,259
Utilities	-	11,616	64,548	17,712	-	93,876	40,943	1,020	180	42,143	136,019
Special programs	-	11,753	19,626	20,329	-	51,708	49,536	24,968	-	74,504	126,212
Uncollected and uncollectible ACA contributions	114,987	-	-	-	-	114,987	-	-	-	-	114,987
TV mass	-	-	113,959	-	-	113,959	-	-	-	-	113,959
General insurance	(51)	12,064	30,537	7,749	-	50,299	35,429	1,078	594	37,101	87,400
Dues and memberships	-	2,840	4,188	2,427	-	9,455	76,443	950	-	77,393	86,848
Priest auto allowance	-	30,178	-	18,287	-	48,465	8,571	-	-	8,571	57,036
Maintenance contracts	-	-	-	1,339	-	1,339	24,565	26,733	-	51,298	52,637
Office supplies	-	8,903	5,652	9,620	-	24,175	20,196	5,013	732	25,941	50,116
Telephone	-	4,588	5,700	10,255	-	20,543	15,111	975	414	16,500	37,043
Auto repairs and maintenance	12	7,514	5,897	6,764	-	20,187	12,126	52	118	12,296	32,483
Rental/lease expense	-	-	-	1,000	-	1,000	30,605	-	-	30,605	31,605
Depreciation expense	-	-	-	13,374	-	13,374	17,394	-	-	17,394	30,768
Food and beverage	-	13,129	1,388	3,660	-	18,177	11,458	50	71	11,579	29,756
Computer expense	-	3,816	3,995	5,521	-	13,332	15,007	1,052	237	16,296	29,628
Travel air/food/lodging	23	9,279	2,176	906	-	12,384	13,152	1,548	-	14,700	27,084
Bank service charges	-	-	-	-	-	-	-	23,401	-	23,401	23,401
Repairs and maintenance	-	-	-	9,247	-	9,247	10,668	-	-	10,668	19,915
Books/subscriptions	16	7,651	1,176	3,342	-	12,185	3,560	-	-	3,560	15,745
Small furniture, equipment, and noncapital expenses	-	3,536	1,341	1,416	-	6,293	7,229	-	1,875	9,104	15,397
Conferences and seminars	-	-	1,018	3,921	-	4,939	2,321	941	-	3,262	8,201
Plant maintenance	-	21,273	32,341	21,956	-	75,570	(75,570)	-	-	(75,570)	-
Total expenses	\$ 1,761,708	\$ 1,527,269	\$ 1,046,091	\$ 718,976	\$ 45,093	\$ 5,099,137	\$ 2,745,052	\$ 110,574	\$ 224,402	\$ 3,080,028	\$ 8,179,165

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

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Notes to Combined Financial Statements
June 30, 2025 and 2024

1) Organization and Summary of Significant Accounting Policies

A summary description of the organization and its significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows.

Organization

The accompanying combined financial statements of The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe (Pastoral Center) include accounts, departments and programs maintained or directly administered by the central administrative offices of the Roman Catholic Church of the Archdiocese of Santa Fe (Archdiocese).

The combined financial statements include the Annual Catholic Appeal Foundation of the Archdiocese of Santa Fe (Annual Catholic Appeal or ACA) because all management and accounting functions are performed by the Pastoral Center; proceeds of the ACA activities benefit the Pastoral Center; and the ACA and Pastoral Center have the same governing body.

Management combines the Archdiocese of Santa Fe Deposit and Loan Fund Trust (Trust) with the Pastoral Center because all management functions and accounting functions are performed by the Pastoral Center under a separate management agreement, and the Trust Indenture provides that the audit of the Trust may be rendered as part of the audit of the Archdiocese of Santa Fe. In addition, the Archdiocese approves the loans to the parishes in accordance with the Trust bylaws; and some of the members of the governing body of the Trust are members of the governing body of the Pastoral Center. The governing body of the Trust are known as Trustees and have fiduciary responsibility to the beneficiaries.

Management also combines the Friends of the Archdiocese of Santa Fe, LLC (LLC) with the Pastoral Center because all management functions and accounting functions are performed by the Pastoral Center under a separate management agreement.

The mission of the Pastoral Center is to enable, empower, and educate ordained, religious, and laity of the Archdiocese to use their giftedness in the Gospel. The Pastoral Center provides information, resources, and direction according to Archdiocesan policies and procedures; coordinates the activities of the deaneries, parishes, ministries, movements, agencies, and organizations; and develops and allocates resources in the support of the Archdiocese's common mission.

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Roman Catholic Church of the Archdiocese of Santa Fe

The Roman Catholic Church of the Archdiocese of Santa Fe, (Archdiocese or Corporation), is a not-for-profit corporation organized under the laws of the State of New Mexico. There are no stockholders, directors, or officers, except for the Archbishop of the Roman Catholic Church of the Archdiocese of Santa Fe (Archbishop), as President, whose powers and responsibilities are established under New Mexico law and Canon Law. The Corporation, as an entity, is distinguishable from the Archbishop whose powers and responsibilities are established by Canon Law. The Archdiocese is not subject to federal or state income taxes and is not deemed a private foundation under the Internal Revenue Code.

Annual Catholic Appeal

The Annual Catholic Appeal Foundation of the Archdiocese of Santa Fe was formed as a separate not-for-profit corporation to assist the religious, charitable, and educational works, endeavors, and activities of the Archdiocese. Management of the ACA conducts an annual pledge campaign to raise funds. The Archdiocese and Deans of eight deaneries determine the annual goal for the pledge campaign. The campaign solicits annual pledges primarily during January and February of each year and collects the pledges throughout the calendar year.

Funds raised during the campaign are disbursed to the Pastoral Center over a twelve-month period beginning on the first day of July of the calendar year of the fund-raising drive. As part of the annual campaign, ACA establishes a “goal” pledge level for each Archdiocese of Santa Fe parish. This “goal” is included in net assets with donor restrictions since it is time-restricted for the following Pastoral Center fiscal year. Funds raised are restricted by the donor for pastoral and canonical purposes. The Pastoral Center annually spends significantly more on pastoral and canonical services than received from ACA contributions. Funds received in excess of each parish’s goal, net of ACA operating expenses and investment income, are returned to the parish for its own needs. ACA has provided an allowance for doubtful accounts on the “goal” pledge level based on collection history. Amounts pledged above the “goal” pledge level that are uncollected are offset against the rebate payable to parishes and reflected as uncollectible promises to give in the combined statements of activities and changes in net assets. Pledges not received as of the end of the campaign year are written off.

During the years ended June 30, 2025 and 2024, \$3,552,999 and \$3,575,047, respectively, in contributions from the ACA, which account for the pledges for the current year “goal,” are included in revenues with donor restrictions on the statement of activities and changes in net assets. The amounts in excess of each parish’s goal that were refunded totaled \$954,498 and \$978,574, respectively, for the years ended June 30, 2025 and 2024.

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Archdiocese of Santa Fe Deposit and Loan Trust Fund

The Archdiocese of Santa Fe established an irrevocable charitable trust for the Deposit and Loan Trust Fund. The beneficiaries are the parishes and other church-related organizations that are the depositors in the Trust. The Pastoral Center is not a depositor in the Trust nor is it a beneficiary in the Trust. The parishes' and other church-related organizations' deposits are derived from their operations and building project donations from third party donors, and are recorded as an asset in their respective accounting records. The Trust pays depositors a fixed or defined variable rate of return. The Trust, through its indenture and bylaws, is subject to civil law, Canon Law and the norms of the Archdiocese.

Friends of the Archdiocese of Santa Fe, LLC

The Friends of the Archdiocese of Santa Fe, LLC was formed as a limited liability company to assist the Archdiocese in funding the bankruptcy settlement through the proceeds of favorable term loans. Loan agreements were setup between several different catholic entities and the Archdiocese with original proceeds totaling \$2,550,000 during the year ended June 30, 2023. Loan balances are \$941,576 and \$1,490,738 as of June 30, 2025 and 2024, respectively, and are included as part of notes payable in the combined statements of financial position.

Parishes and Other Church-Related Organizations

The financial operations of individual parishes and other church-related agencies, activities and institutions, such as the school system, religious orders, the Archdiocesan Priests Retirement Fund, Inc., Santo Niño Regional Catholic School, St. Pius X High School, the Catholic Cemetery Association of the Archdiocese of Santa Fe, the Archdiocese of Santa Fe Catholic Foundation, Catholic Charities of Central New Mexico, and the Archbishop School Fund, Inc. are other divisions or subsidiaries of the Corporation, or are independent organizations distinct from the Pastoral Center, that maintain separate financial records for their own services and programs and have different governing bodies. Therefore, the net assets, change in net assets, and cash flows of these organizations are not included in these combined financial statements which only reflect the Pastoral Center as a division or subsidiary of the Corporation. Under the laws of the State of New Mexico and from a Canon Law perspective, parishes and schools are separate legal entities and own their property. This significantly limits the powers and control of the Archbishop. Canon Law is the law governing the church and may or may not correlate with civil law depending on circumstances. The Archbishop must canonically and civilly adhere to the corporate articles of incorporation and bylaws and any rights delineated in these civil documents. Civil and canonical rights of the parishes, schools, and other church-related entities significantly limit beneficial use of assets and revenues by the Archdiocese or the Pastoral Center and significantly limit the Archdiocese's or the Pastoral Center's responsibility for their liabilities.

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Each parish Pastor, by virtue of his authority as Pastor, is the President of the parish corporation and is responsible for the use, possession, and management of parish property. The power of the Pastor is proper, ordinary power attached by Canon Law to his office. The Archbishop has a canonical oversight in regard to the parishes within the Archdiocese to ascertain that they are operating within the norms as established by Canon Law and the Archdiocese.

Presently, the Archdiocese, corporation sole, holds bare legal title, as trustee, to real properties for the benefit and use of the parishes, for example, parish land and buildings. In 2012, the Archdiocese of Santa Fe Real Estate Corporation was established under the New Mexico Nonprofit Corporation Act. It is organized and operated exclusively for religious, charitable and educational purposes, and specifically to serve as trustee of one or more charitable trusts organized to provide facilities for and support of tax exempt religious, charitable and educational organizations which are located within the territory of the Roman Catholic Archdiocese of Santa Fe which are subject to the Canonical administration of the Archbishop of Santa Fe, pursuant to the *Code of Canon Law* of the Roman Catholic Church (Code). All activities of the Corporation shall be carried out and all powers shall be exercised consistent with and according to the Code, and the norms and statutes of the Archbishop of the Archdiocese of Santa Fe. The deeds held for the benefit of the parishes are in the process of being deeded to the Archdiocese of Santa Fe Real Estate Corporation.

Basis of Accounting

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 of America (GAAP), including principles applicable to not-for-profit organizations.

Intercompany transactions and amounts have been eliminated.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the future obligations for long-term priest care, the allowance for ACA promises to give, loan loss reserves, and the estimate for claims payable.

Parish Assessments and Services

The Pastoral Center provides a variety of services per written agreement to parishes and other church-related organizations for an assessment amount, which is determined by the Pastoral Center based on the estimated cost of providing such services. These assessments totaled \$4,544,158 and \$3,957,890 for 2025 and 2024, respectively.

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Cash and Cash Equivalents

Cash and cash equivalents for purposes of reporting cash flows consist primarily of cash, money market funds, and certificates of deposit with original maturities of three months or less.

Concentrations of Credit Risk

The Pastoral Center maintains its cash and investment balances with financial institutions and brokerage firms in Albuquerque, New Mexico. Amounts held at financial institutions are insured up to \$250,000, per depositor, per institution by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2025, the Pastoral Center maintained cash balances at financial institutions in excess of the federally insured limits. Given the economic environment and risks in the banking industry, there is risk that these deposits may not be readily available or covered by insurance. As of June 30, 2025 and 2024, the Pastoral Center has not experienced any losses in such accounts and believes that it is not exposed to significant credit risk on its cash and cash equivalents.

Securities and cash held at brokerage firms are protected up to their full net value by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a not-for-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by the brokerage firms (the "Excess Coverage"). Excess Coverage provides additional protection up to the full net value of each account including unlimited coverage for uninvested cash. SIPC protects up to \$500,000 of each client's securities, of which up to \$250,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of the brokerage firm and do not protect against losses due to market fluctuations. The Pastoral Center's brokerage firms maintain private insurance in excess of SIPC coverage. This insurance is subject to a cap of \$1 billion for all claims with no per-client limit for securities and a \$1.9 million per-client limit for the cash portion of any shortfall from other coverage, as such, the Pastoral Center's balances are fully covered. The Pastoral Center has not experienced any losses and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

The Pastoral Center carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the combined statements of financial position. Certificates of deposit are carried at amortized cost which approximates fair value. Realized and unrealized gains and losses are included in the accompanying combined statements of activities and changes in net assets.

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Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near-term and that such changes could materially affect the amounts reported in the combined statements of activities and changes in net assets.

Financial Instruments

The carrying amounts of receivables, loans receivable, other assets, funds held for others, borrowings and other liabilities approximate fair value due to their short-term nature or variable interest rates.

Management is not able to practicably estimate the fair value of loans to parishes and other church-related organizations because terms are subject to modification; however, management believes loans are shown at fair value.

Receivables from Parishes and Other Church-Related Organizations

Substantially all receivables are due from individual parishes and other church-related organizations. Generally, collateral is not required on these receivables and management believes that they have established an adequate allowance for any potential bad debts (Note 3).

Trust Loans Receivable from Parishes and Other Church-Related Organizations

Trust loans receivable represent advances made to parishes from deposit and loan funds (see Note 8) for capital projects. Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses (see Note 8). Generally, loans are granted for specific periods of time and contain specific provisions for monthly payments. Loans are not collateralized. At June 30, 2025 and 2024, interest income on performing loans was accrued at a rate of 5.00% on the respective unpaid principal balances, and loans have maturities ranging from 2026 to 2048. The rates are reviewed by the Archdiocesan Finance Council and are adjusted periodically.

Loans are classified as nonperforming, and considered impaired, when they are over ninety days past due. Generally, loans are restored to performing status when the obligation is brought current, has performed in accordance with the contractual terms for a reasonable period of time and the ultimate collectability of the total contractual principal and interest is no longer in doubt. There were no nonperforming or past due loans as of June 30, 2025 and 2024.

The allowance for loan losses on loans receivable is maintained at a level believed by management to be representative of inherent losses estimated on the basis of past loan history and analysis of individual loans. Loans are charged off in whole or in part when, in management's opinion, collectability is considered remote. Subsequent recoveries, if any, are credited back to the allowance for loan losses.

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While management uses available information to establish the allowance for loan losses, future additions or reductions to the allowance may become necessary in the near-term if circumstances differ from the assumptions used in making the evaluation.

Unconditional Promises to Give Receivable

The Pastoral Center accounts for its unconditional promises to give expected to be collected within one year, as revenues at net realizable value in the period unconditional promises are made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Accretion of the discounts is included in contribution revenue with donor restrictions. The Pastoral Center does not discount pledges that are expected to be collected beyond one year unless the discount is significant. The unconditional promises to give receivable recorded reflects all pledges for the 2025 and 2024 campaigns through June 30, 2025 and 2024, respectively. Conditional promises to give are not included in revenue until the conditions are substantially met. Additionally, contributions received are recorded with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. The Pastoral Center's allowance amounted to \$129,820 and \$125,812 at June 30, 2025 and 2024, respectively.

From time to time, the Pastoral Center is named as beneficiary of a revocable estate. It is the Pastoral Center's policy to recognize revenue when either the cash is received or the commitment from the estate becomes irrevocable.

Buildings and Equipment

Building acquisitions in excess of \$5,000 and all renewals and betterments that materially prolong the useful lives of these assets are capitalized. Furnishings, equipment, and computers in excess of \$5,000 are capitalized. Maintenance and repairs are charged to operations when incurred.

Buildings and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation (see Note 5). Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Pastoral Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Pastoral Center reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

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Depreciation is computed using primarily the straight-line method over the assets' estimated useful lives ranging from three to 30 years. When land owned by the Pastoral Center is initially put into service at a parish or other church-related organization, the Pastoral Center records a donation of the land to the parish or other church-related organization. Such land and buildings are not included in the accompanying combined financial statements but shown on the separate financial statements of the parish or other church-related organization.

Management evaluates impairment of long-lived assets when events or changes in circumstances indicate the carrying value of the asset may not be recoverable. There were no impaired long-lived assets as of June 30, 2025 and 2024.

Contributions Payable

Contributions payable are monies pledged by the Pastoral Center to assist schools and parishes within the Archdiocese of Santa Fe for capital projects and improvements. At June 30, 2024 and 2023, the contributions payable includes \$10,000 pledged for Holy Family in Roy. Additionally, in 2016, \$100,000 was pledged to the Diocese of Gallup to assist them in repaying the Catholic Order of Foresters loan. Gallup contributions were being paid in installments of \$20,000 over five years which began on July 1, 2016. Effective for fiscal year 2020, payments to the Diocese of Gallup were on hold due to the Chapter 11 Reorganization. The Pastoral Center recommenced these payments in 2023 post-bankruptcy. As of June 30, 2025 and 2024, the remaining payable amount for the Diocese of Gallup is \$20,000.

Funds Held for Church-Related Organizations

The Pastoral Center holds funds for church-related organizations in an agency capacity until funds are disbursed. Since the Pastoral Center has no spending discretion over these funds, receipts and disbursements are accounted for in the combined statements of financial position and are not reflected as revenue or expenses.

CARES Act

On March 27, 2020, the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits and deferment of employer side social security payments.

Under the CARES Act, the Pastoral Center was eligible for a refundable tax credit, referred to in the CARES Act as the "Employee Retention Credit." The Pastoral Center filed amended 941 returns for the 2nd and 4th quarters of calendar year 2020 for approximately \$271,000 of additional refundable tax credits, which was included in prepaid expenses, deposits and other assets on the accompanying combined statements of financial position as of June 30, 2024. In accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 958-605-25, the revenue associated with this credit was recorded at the time that the conditions of the credit were substantially met which occurred in fiscal years 2022 and 2023. Total

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credits received in 2025 were approximately \$427,000 of which approximately \$156,000 related to additional tax credits and interest received and is recorded as employee retention credit income on the accompanying combined statements of activities and change in net assets as of June 30, 2025.

Net Assets

The Pastoral Center's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Pastoral Center and changes therein are classified and reported as net assets without donor restrictions and net assets with donor restrictions.

- *Net Assets without Donor Restrictions* – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Net Assets with Donor Restrictions* – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are required to be held in perpetuity; the Pastoral Center may use earnings from investments held in perpetuity in accordance with the donor's instructions. The Pastoral Center's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Management of the Pastoral Center has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Pastoral Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Pastoral Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the fund; 2) the purposes of the organization and the donor-restricted endowment fund; 3) general

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economic conditions; 4) the possible effect of inflation and deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the organization; and 7) the investment policies of the organization. The reconciliation of the beginning and ending balances of the net assets with donor restrictions is at Note 14.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation methodology is based on actual expenses incurred by each program. Indirect costs are allocated based on square footage, time spent or usage.

Subsequent Events

Subsequent events have been evaluated for recognition or disclosure through November 21, 2025, the date at which the combined financial statements were available to be issued.

Reclassifications

Certain reclassifications were made to 2024 balances to conform to the 2025 presentation. These reclassifications had no impact on change in net assets or total net assets.

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2) Cash and Cash Equivalents and Investments

Cash and cash equivalents and investments at June 30, 2025, consist of the following:

	Fair Value	Cost or Amortized Cost	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 8,981,441	\$ 8,981,441	\$ -
Cash and cash equivalents in deposit and loan trust fund	15,052,550	15,052,550	-
Total cash and cash equivalents	<u>24,033,991</u>	<u>\$ 24,033,991</u>	<u>\$ -</u>
Municipal bonds	1,420,104	\$ 1,412,869	\$ 7,235
Corporate bonds	2,675,707	2,638,785	36,922
Government and agency securities	10,802,727	2,250,932	8,551,795
Certificates of deposit	16,599,297	25,168,806	(8,569,509)
Total investments, recorded at fair value	<u>31,497,835</u>	<u>\$ 31,471,392</u>	<u>\$ 26,443</u>
Total of cash and cash equivalents, investments at fair value, and certificates of deposit at amortized cost	<u>\$ 55,531,826</u>		

Reconciliation to Statement of Financial Position

Cash and cash equivalents	\$ 8,981,441
Cash and cash equivalents and investments held by deposit and loan trust fund	39,941,074
Investments	6,609,311
Total	<u>\$ 55,531,826</u>

The following is a summary of maturities of debt securities as of June 30, 2025:

	Available-For-Sale	
	Amortized Cost	Fair Value
Amounts maturing in		
One year or less	\$ 933,618	\$ 927,476
After one year through five years	2,607,130	2,659,587
After five years through ten years	348,053	348,220
After 10 years	162,853	160,528
	<u>\$ 4,051,654</u>	<u>\$ 4,095,811</u>

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Cash and cash equivalents and investments at June 30, 2024, consist of the following:

	Fair Value	Cost or Amortized Cost	Unrealized Appreciation (Depreciation)
Cash and cash equivalents	\$ 7,252,617	\$ 7,252,617	\$ -
Cash and cash equivalents in deposit and loan trust fund	7,544,913	7,544,913	-
Total cash and cash equivalents	<u>14,797,530</u>	<u>\$ 14,797,530</u>	<u>\$ -</u>
Municipal bonds	848,729	\$ 871,136	\$ (22,407)
Corporate bonds	2,161,992	2,281,858	(119,866)
Mutual funds	551,181	551,181	-
Government and agency securities	3,218,288	3,243,448	(25,160)
Certificates of deposit	15,469,247	15,419,284	49,963
Total investments, recorded at fair value	<u>22,249,437</u>	<u>\$ 22,366,907</u>	<u>\$ (117,470)</u>
Total of cash and cash equivalents, investments at fair value, and certificates of deposit at amortized cost	<u>\$ 37,046,967</u>		

Reconciliation to Statement of Financial Position

Cash and cash equivalents	\$ 7,252,617
Cash and cash equivalents and investments held by deposit and loan trust fund	23,986,322
Investments	<u>5,808,028</u>
Total	<u>\$ 37,046,967</u>

The following is a summary of maturities of debt securities as of June 30, 2024:

	Available-for-Sale	
	Amortized Cost	Fair Value
Amounts maturing in		
One year or less	\$ 643,576	\$ 622,442
After one year through five years	4,212,202	4,118,622
After five years through ten years	40,663	40,573
After 10 years	-	-
	<u>\$ 4,896,441</u>	<u>\$ 4,781,637</u>

The following schedule summarizes the investment return for investment held without donor restrictions, and its classification in the combined statements of activities and changes in net assets for the years ended June 30:

	2025	2024
Deposit and loan trust fund interest and investment income	\$ 2,091,084	\$ 1,881,116
Interest and dividend income	507,876	475,384
Net realized and unrealized gains	55,206	5,438
Total investment return	<u>\$ 2,654,166</u>	<u>\$ 2,361,938</u>

Investment management expense for cash equivalents and investments incurred directly by the Pastoral Center for 2025 and 2024, was approximately \$33,100 and \$32,800, respectively, and is netted with interest and dividend income. Investment fees incurred

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directly by the Catholic Foundation for 2025 and 2024, were approximately \$51,400 and \$60,800, respectively, and are included in the change in investments held by the Catholic Foundation on the combined statements of activities and changes in net assets.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Pastoral Center has the ability to access.
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Corporate and municipal bonds – Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Certificates of deposits – Valued at amortized cost, which approximates fair value determined by using pricing models maximizing the use of observable inputs using the rates currently offered for deposits of similar remaining maturities.

Mutual funds – Shares of registered investment companies (mutual funds) are valued at the daily closing price as reported by the fund. Mutual funds held are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held are deemed to be actively traded.

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Government and agency securities – Valued using pricing models maximizing the use of observable inputs for similar securities.

The fair value measurement table for June 30, 2025, is as follows:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Government and agency securities	\$ 10,802,727	\$ -	\$ 10,802,727	\$ -
Certificate of deposits	16,599,297	-	16,599,297	-
Municipal bonds	1,420,104	-	1,420,104	-
Corporate bonds	2,675,707	-	2,675,707	-
Total investment securities	<u>\$ 31,497,835</u>	<u>\$ -</u>	<u>\$ 31,497,835</u>	<u>\$ -</u>
Reconciliation to statement of financial position				
Investments	\$ 6,609,311			
Cash and cash equivalents and investments held by deposit and Loan trust fund	39,941,074			
Less cash and cash equivalents held by deposit and loan trust fund	<u>(15,052,550)</u>			
Total	<u>\$ 31,497,835</u>			

The fair value measurement table for June 30, 2024, is as follows:

	Fair Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Government and agency securities	\$ 3,218,288	\$ -	\$ 3,218,288	\$ -
Certificate of deposits	15,469,247	-	15,469,247	-
Municipal bonds	848,729	-	848,729	-
Mutual funds	551,181	551,181	-	-
Corporate bonds	2,161,992	-	2,161,992	-
Total investment securities	<u>\$ 22,249,437</u>	<u>\$ 551,181</u>	<u>\$ 21,698,256</u>	<u>\$ -</u>
Reconciliation to statement of financial position				
Investments	\$ 5,808,028			
Cash and cash equivalents and investments held by deposit and loan trust fund	23,986,322			
Less cash and cash equivalents held by deposit and loan trust fund	<u>(7,544,913)</u>			
Total	<u>\$ 22,249,437</u>			

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Notes to Combined Financial Statements
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Liquidity and Availability

Financial assets available for general expenditure, that are, without donor or other restrictions limiting their use, within one year of June 30, 2025 and 2024, are as follows:

	2025	2024
Financial Assets		
Current assets		
Cash and cash equivalents	\$ 8,981,441	\$ 7,252,617
Receivables from parishes and other church-related organizations, current maturities, net	883,333	855,118
Tribunal receivables, net	1,735	1,750
Accrued interest and dividends receivable	122,838	117,072
Total current assets available for general expenditures	<u>9,989,347</u>	<u>8,226,557</u>
Long-term assets		
Investments	6,609,311	5,808,028
Investment in Catholic Umbrella Pool	663,766	566,117
Investments held by the Archdiocese of Santa Fe Catholic Foundation	4,896,478	4,607,263
Investments held by Catholic Extension Society	513,129	454,240
Total noncurrent assets available for general expenditures	<u>12,682,684</u>	<u>11,435,648</u>
Total financial assets available for general expenditures	22,672,031	19,662,205
Less financial assets held to meet donor-imposed restrictions		
Purpose restricted net assets	(11,258,674)	(10,241,117)
Less financial assets restricted as funds held for others		
Self-insured insurance program	(3,300,559)	(3,017,193)
Funds held for church-related organizations	(792,341)	(502,180)
Amount available for general expenditures within one year	<u>\$ 7,320,457</u>	<u>\$ 5,901,715</u>

**The Pastoral Center of the Roman Catholic Church
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3) Receivables from Parishes and Other Church-Related Organizations

The following are the receivables from parishes and other church-related organizations as of June 30:

	2025	2024
General and health insurance	\$ 636,612	\$ 494,446
Catholic Health Initiative distributions	360,420	358,205
Other loans and parish receivables	417,546	292,561
Less allowance for doubtful accounts	<u>(143,345)</u>	<u>(47,094)</u>
	<u>\$ 1,271,233</u>	<u>\$ 1,098,118</u>
Current receivables from parishes and other church-related organizations	\$ 883,333	\$ 855,118
Long-term receivables from parishes and other church-related organizations	<u>387,900</u>	<u>243,000</u>
	<u>\$ 1,271,233</u>	<u>\$ 1,098,118</u>

4) Unconditional Promises to Give Receivable

Unconditional promises to give receivable, all due within one year, consist of the following at June 30:

	2025	2024
Annual Catholic Appeal promises to give	\$ 926,571	\$ 938,120
Less allowance for uncollectible promises receivable	<u>(129,820)</u>	<u>(125,812)</u>
Total Annual Catholic Appeal promises to give	<u>\$ 796,751</u>	<u>\$ 812,308</u>

5) Buildings and Equipment

Buildings and equipment are summarized as follows at June 30:

	2025	2024
Buildings and improvements	\$ 886,741	\$ 886,741
Furniture and equipment	371,854	372,940
Automobiles	<u>50,321</u>	<u>62,459</u>
Total buildings and equipment	1,308,916	1,322,140
Less accumulated depreciation	<u>(1,084,837)</u>	<u>(1,099,744)</u>
Total buildings and equipment, net	<u>\$ 224,079</u>	<u>\$ 222,396</u>

**The Pastoral Center of the Roman Catholic Church
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6) Letter of Credit

The Pastoral Center maintains deposits as collateral for the New Mexico self-insurers' guarantee fund, related to self-insured worker's compensation with a minimum liability of \$1,000,000. As of June 30, 2025, deposits in the amount of \$1,130,183 were held by the Pastoral Center in business checking and insured cash sweep accounts. The deposits are included in cash and cash equivalents on the accompanying combined statements of financial position.

7) Commitments and Contingencies

Legal Matters

On December 3, 2018, the Pastoral Center filed a petition for relief (the "Petition") under Chapter 11 of the United States Bankruptcy Code (the "Code") in the United States Bankruptcy Court for the District of New Mexico (the "Court"). Under Chapter 11, certain claims against the Archdiocese were in existence before filing the Petition were stayed while the Archdiocese continued business operations as Debtor-in-Possession. On February 16, 2023, the Archdiocese emerged from bankruptcy. This date was considered as the effective date of the plan and when complete funding of the bankruptcy settlement occurred. Additional claims (liabilities subject to compromise) may arise after the filing date resulting from rejection of executory contracts and from the determination by the court (or agreed to by parties in interest) of allowed claims for contingencies and other disputed amounts. An estimate for such claims has been recorded as unknown future claims liability for \$2,000,000 as of June 30, 2025 and 2024, and are included in the accompanying combined statements of financial position.

The Corporation has been named as a defendant in various other claims arising in the normal course of business. Management of the Pastoral Center is of the opinion that none of these matters will have a material impact on these combined financial statements.

No additional estimated amounts or range of amounts were recorded for claims during the years ended June 30, 2025 and 2024.

Loan Guarantor

The Archdiocese is guarantor of a related-party's long-term loan in the amount of \$6,000,000 dated September 28, 2022. The Archdiocese agreed to subsidize interest payments on this loan through September 28, 2027 (Note 12).

Workers' Compensation

The Pastoral Center maintains for itself, parishes and other church-related organizations a self-insured program for workers' compensation. The specific retention for each accident is \$500,000 and the annual aggregate retention is \$1,000,000.

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Management accrues for workers' compensation claims and claims expense, (approximately \$333,000 at June 30, 2025 and 2024) based on a review of claim cases for each accident period, which does not include an estimate for claims incurred but not reported. Claims liability estimates and assumptions are periodically reviewed and updated with any resulting adjustments to claim liabilities reflected in current operating results. Because of the inherent uncertainties in estimating the liability, it is reasonably possible that the estimates used will change in the near term, although such amounts, if any, cannot be estimated at this time.

Related premiums receivable from parishes and other church-related organizations are unsecured and are expected to be collected within one year. Premium receivables are included with receivables from parishes and other church-related organizations, and liabilities for excess premiums collected are included with the general insurance program liabilities on the accompanying combined statements of financial position.

Periodically, if premiums collected exceed estimated claim liabilities and premiums due, the Pastoral Center refunds excess collections to the parishes and other church-related organizations. The Pastoral Center made a refund of \$1,250,000 to participants in September 2023. The Pastoral Center did not make any refunds during fiscal year 2025.

General Insurance Program Liabilities

The Pastoral Center maintains for itself, parishes and other church-related organizations insurance programs for general and health insurance coverage. The Pastoral Center pays premiums for general and health insurance coverage, and is self-insured, as described above, for worker's compensation. Related premiums receivable from parishes and other church-related organizations are unsecured and are expected to be collected within one year.

Premium receivables are included with receivables from parishes and other church-related organizations, and liabilities for excess premiums collected are included with the general insurance program liabilities on the accompanying combined statements of financial position.

Catholic Umbrella Pool

The Archdiocese of Santa Fe along with parishes and other church-related organizations are participants in the Catholic Umbrella Pool (the "Pool"), which provides limited coverage for general liability, auto liability, and morality claims. The investment in the Pool totaling \$663,766 and \$566,117 at June 30, 2025 and 2024, respectively, is included on the accompanying combined statements of financial position. The Pool was created as a self-insurance fund for certain archdioceses and dioceses of the Roman Catholic Church in North America and is a not-for-profit corporation in Nebraska.

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On July 1, 1987, the Pool began providing excess liability coverage for its membership. On May 19, 2009, the General Membership of the Pool approved the formation of a subsidiary, CUP Re, Inc. (CUP Re), as a nonprofit captive insurer. CUP Re was incorporated on December 4, 2009, and approved to write business January 1, 2010, by the Vermont Department of Financial Regulation.

The Pool and Catholic Relief Society of America provide various levels of liability coverage for various current and historic periods. Participating archdioceses and dioceses are liable for losses beyond the carriers' responsibilities to fund such losses.

Other Legal Matters

The Corporation has been named as a defendant in various other claims arising in the normal course of business. Management of the Pastoral Center is of the opinion that none of these matters will have a material impact on these combined financial statements.

8) Deposit and Loan Trust Fund

At June 30, 2025 and 2024, the Deposit and Loan Trust Fund's assets, liabilities, revenues, and expenses, which are combined in the Pastoral Center's financial statements, consisted of the following:

	2025	2024
Assets		
Current assets		
Cash and cash equivalents held for participants	\$ 15,052,550	\$ 7,544,913
Certificates of deposit held for participants	16,388,524	14,941,409
Government securities	8,500,000	1,500,000
Loans receivable from participants, current maturities, net	1,648,548	1,995,502
Accrued interest receivable	40,217	46,504
Receivable from the Pastoral Center of the Archdiocese of Santa Fe	<u>2,972,998</u>	<u>2,867,492</u>
Total current assets	44,602,837	28,895,820
Loans receivable from participants, less current maturities, net	<u>10,813,536</u>	<u>13,788,385</u>
Total assets	<u><u>\$ 55,416,373</u></u>	<u><u>\$ 42,684,205</u></u>
Liabilities		
Current liabilities		
Interest bearing deposits payable to participants, current maturities	\$ 47,392,370	\$ 31,797,148
Payable to the Pastoral Center of the Archdiocese of Santa Fe	<u>-</u>	<u>-</u>
Total current liabilities	47,392,370	31,797,148
Interest bearing deposits payable to participants, less current maturities	<u>8,024,003</u>	<u>10,887,057</u>
Total liabilities	<u><u>\$ 55,416,373</u></u>	<u><u>\$ 42,684,205</u></u>

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
Notes to Combined Financial Statements
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	2025	2024
Income		
Loan interest income	\$ 723,637	\$ 984,183
Investment interest income	1,367,447	896,933
Miscellaneous	106,544	13,283
Total income	<u>2,197,628</u>	<u>1,894,399</u>
Expenses		
Interest expense on participant deposits	980,942	578,519
Service fees	1,212,280	1,311,000
Miscellaneous	4,406	4,880
Total expenses	<u>2,197,628</u>	<u>1,894,399</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>

Loans

The Pastoral Center, through the Deposit and Loan Trust Fund, has made loans to parishes and other church-related organizations within the Archdiocese of Santa Fe. As of June 30, 2025 and 2024, the interest rate on loans was 5%. The rates are determined by the Archdiocesan Finance Council, and loans generally mature within 1–30 years of the original dates of the loans. The loans are unsecured.

Maturities of loans receivable for years succeeding June 30, 2025, are as follows:

2026	\$ 1,648,548
2027	1,247,104
2028	1,201,637
2029	1,174,098
2030	1,160,423
Thereafter	<u>6,040,307</u>
	12,472,117
Less allowance for doubtful accounts	<u>(10,033)</u>
Total current and noncurrent loans	<u>\$ 12,462,084</u>

Deposits

The interest-bearing deposits payable to parishes and other church-related organizations are outstanding at interest rates ranging from 2.25% to 4.00% at June 30, 2025, and mature in the following fiscal years:

2026	\$ 47,392,370
2027	5,552,652
2028	<u>2,471,351</u>
	<u>\$ 55,416,373</u>

The Pastoral Center is not obligated to maintain cash, cash equivalents and investments, or other liquidity equal to the amount of its deposit liability.

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Service Fees

The Trust operates under a support services agreement with the Archdiocese which provides the Trust with support services including accounting and management services.

As full consideration for services performed pursuant to this agreement, the Pastoral Center may charge the Trust for its cost of providing accounting and management services. Also according to the support agreement, the Pastoral Center receives the interest spread which is the income from investments and loans less interest expense on deposits. These service fees are rendered periodically by the Pastoral Center and paid by the Trust within twenty days of receipt. During the years ended June 30, 2025 and 2024, the Pastoral Center received the interest spread, but no costs of providing accounting and management services were requested by the Pastoral Center or reimbursed to the Pastoral Center by the Trust.

**The Pastoral Center of the Roman Catholic Church
of the Archdiocese of Santa Fe**
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9) Annual Catholic Appeal Foundation

At June 30, 2025 and 2024, and for the years then ended, the Annual Catholic Appeal Foundation's assets, liabilities, revenues, and expenses, which are combined in the Pastoral Center's financial statements, consisted of the following:

	2025	2024
Assets		
Cash and cash equivalents	\$ 651,175	\$ 724,595
Contributions receivable from the Catholic Center	-	-
Unconditional promises to give receivable	796,751	812,308
Accrued interest and dividends receivable	9,184	8,366
Investments	1,242,363	1,175,557
Total assets	<u>\$ 2,699,473</u>	<u>\$ 2,720,826</u>
Liabilities		
Contributions payable to the Catholic Center	\$ 2,450,095	\$ 2,394,848
Accounts payable and accrued expenses	9,595	8,360
Rebates payable to parishes	239,783	317,618
Total liabilities	<u>\$ 2,699,473</u>	<u>\$ 2,720,826</u>
Revenues		
Contributions	\$ 3,552,999	\$ 3,575,047
Interest and dividend income	54,075	42,065
Net realized and unrealized gain (loss) on investments	33,883	32,894
In-kind contributions	28,920	28,883
Total revenues	<u>3,669,877</u>	<u>3,678,889</u>
Expenses		
Contribution to the Catholic Center	2,297,663	2,299,121
Annual Catholic Appeal rebates to parishes	954,498	978,574
Uncollected and uncollectible Annual Catholic Appeal promises to give	121,539	114,987
Management and general	137,453	139,458
Fundraising expenses	158,724	146,749
Total expenses	<u>3,669,877</u>	<u>3,678,889</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>

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10) Friends of the Archdiocese of Santa Fe, LLC

At June 30, 2025 and 2024, and for the years then ended, the Friends of the Archdiocese of Santa Fe assets, liabilities, revenues, and expenses, which are combined in the Pastoral Center's financial statements, consisted of the following:

	2025	2024
Assets		
Cash and cash equivalents	\$ 4,597	\$ 4,456
Notes receivable from the Pastoral Center	941,576	1,490,738
Total assets	<u>\$ 946,173</u>	<u>\$ 1,495,194</u>
Liabilities		
Accounts payable and accrued expenses	\$ 4,597	\$ 4,456
Notes payable	941,576	1,490,738
Total liabilities	<u>\$ 946,173</u>	<u>\$ 1,495,194</u>
Revenues		
Interest income	\$ 12,925	\$ 15,283
Total revenues	<u>12,925</u>	<u>15,283</u>
Expenses		
Interest expense	12,925	15,283
Total expenses	<u>12,925</u>	<u>15,283</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>

11) Notes Payable

During the year ended June 30, 2023, the Archdiocese obtained \$2,550,000 of notes payable from other Catholic related entities throughout the year to assist with the bankruptcy. The loans had various maturity dates ranging from May 2025 to March 2033, with interest rates ranging from 0% to 3%. For the year ended June 30, 2025, one of the notes payables was not compliant with covenants and, therefore, could require payment on demand and is recorded as a current liability on the combined statements of financial position. No other note payable agreements include covenant requirements.

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Scheduled future minimum payments of notes payable as of June 30, 2025, are as follows in the respective year indicated:

Year ending June 30,	
2026	\$ 141,576
2027	-
2028	300,000
2029	-
2030	-
Thereafter	1,500,000
	<u>\$ 1,941,576</u>

12) Related-Party Transactions

The Pastoral Center, through the Deposit and Loan Trust Fund, maintains interest-bearing deposits payable to the Catholic Cemetery Association (CCA). Deposits held were \$2,481,434 and \$2,187,901 as of June 30, 2025 and 2024, respectively. In addition, CCA paid the Pastoral Center a management fee of \$35,000 annually in 2025 and 2024, as reimbursement for certain occupancy costs, and for its share of operating expenses incurred by the Pastoral Center on its behalf.

The Pastoral Center provide subsidies to St. Pius X totaling approximately \$373,000 and \$406,000 for the years ended June 30, 2025 and 2024, respectively as reflected in the accompanying combined statements of activities and changes in net assets. Of these amounts, approximately \$333,000 for each of the years ended June 30, 2025 and 2024, represent subsidies related to the loan described in Note 7.

13) Retirement Benefit Plans

Deferred Annuity 403(b) Plan

The Archdiocese provides a tax deferred annuity retirement plan under Section 403(b) of the Internal Revenue Code, which operates as a multiple employer plan. The plan covers lay employees who are at least twenty-one years of age and have completed three months of permanent full-time or part-time employment. The Pastoral Center contributes up to 10% of a qualified employee's gross wages, and employees are permitted to contribute up to the maximum allowed by the Internal Revenue Code. Pastoral Center contributions to the plan for the years ending June 30, 2025 and 2024, were approximately \$136,000 and \$124,000, respectively, and included in the various program services without donor restrictions in the combined statements of activities and changes in net assets.

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Long-Term Care Plan

Long-term care, which consists of health benefits, is provided by the Pastoral Center on behalf of the Archdiocese for diocesan priests in the event it is required during their active and retired years. Approximately half of the coverage is provided by third-party long-term care providers and the other half is self-insured. The plan is noncontributory for the participants.

At June 30, 2025 and 2024, the present value of future benefits payable was approximately \$993,000 and \$918,000, respectively. The estimate is based on an evaluation of future liabilities as determined every other year by an independent actuary. For the year ended June 30, 2025, the actuary used an assumed rate of return of 4%. At June 30, 2025 and 2024, the market value of assets available for plan benefits was approximately \$1,045,000 and \$1,077,000, respectively, which is included within the interest-bearing deposits payable (Deposit and Loan Trust Fund) on the accompanying combined statements of financial position with priest long-term care and other assets. The monies were raised in prior years through contributions from the Annual Catholic Appeal. The overfunded portion totaling \$52,000 and \$159,000 at June 30, 2025 and 2024, respectively, are included on the accompanying combined statements of financial position with priest long-term care and other assets. Under Canon Law and according to donor restrictions, the funds maintained in the Deposit and Loan Trust Fund for priest long-term care must be used to fund long-term care on behalf of the parishes. There were no contributions by the Pastoral Center to fund this plan in 2025 and 2024. Management believes that the present funding is adequate to cover premiums and self-insured costs.

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Notes to Combined Financial Statements
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14) Net Assets With Donor Restrictions

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

	2025	2024
Annual Catholic Appeal Foundation, time restriction	\$ 2,653,270	\$ 2,296,059
Catholic Health Initiatives Endowment	2,387,755	2,278,078
Seminary Burses	1,813,820	1,779,124
Catholic Health Initiatives	1,792,542	1,511,078
Seminary Burse Education Endowment	616,707	614,107
Catholic Extension Society Seminarian Endowment Challenge	334,088	333,124
Catholic Foundation Ministry Assistance	250,000	-
Extension Society Challenge	179,041	121,116
Catholic Campaign for Human Development	156,974	156,974
Archbishop's Circle for Catholic Education	121,096	121,096
End of year donations - archbishop's discretion	86,905	71,529
Other	82,886	230,382
MACC Rural Ministry	74,995	-
Archbishop Scholarship Fund	60,640	46,451
D. Daniels Estate - Vocation Diaconate	57,076	57,076
Deacon Formation (Extension)	52,333	39,877
Parish Shared Accounting Services	51,400	55,600
Leadership Roundtable - Rebuild My Church	51,400	-
Marriage Ministry Coordinator	48,750	48,750
Schools - Adopt a Student	44,042	75,792
Seminarian Endowment	40,000	50,000
Archbishop's School Fund Dinner	38,800	105,800
Family Life Marriage Enrichment	33,145	26,210
Black and Indian Mission Office	30,386	21,651
Infrastructure needs	27,943	27,943
Historic New Mexico Churches	25,289	25,343
Priest convocation	20,291	29,421
St. Stephen Fund	19,154	15,588
Mission and Rural Parishes	16,005	14,355
Archbishop Sheehan Scholarship Fund	15,861	15,861
Seminarian Emersion Program	15,175	10,005
Thresholds Emergency Fund	13,350	15,772
Prolife-Bishops-Sinclair	10,000	10,000
Archbishop's Discretion - Parishes in Need	8,891	8,891
Social Justice Project Rachel	7,653	7,653
Black Scholarship	7,011	6,411
Strategic Initiative: Financial Management Training	7,000	7,000
Seminarian Holy Land Travel	7,000	7,000
	<u>\$ 11,258,674</u>	<u>\$ 10,241,117</u>

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Net assets released from donor restrictions for the years ended June 30 were as follows:

	2025	2024
Catholic Foundation Ministry Assistance	\$ 250,000	\$ 250,000
Catholic Health Initiatives	161,332	147,687
Catholic School Tuition Assistance	159,750	98,500
Archbishop's School Fund Dinner	67,000	136,653
Schools - Adopt a Student	62,000	13,912
Seminarian Education	50,000	75,000
Other	38,310	27,283
Priest convocation	39,931	-
Black and Native American Mission	20,466	29,007
Family Life Marriage Enrichment	17,962	1,375
Rice Bowl	15,603	18,477
Native American Special	7,020	-
El Ranchito de los Ninos	-	7,000
CCHD Intern	-	7,544
Junior High Ministry Coordinator	-	17,677
Archbishop Catholic Foundation Scholarship Formation	-	14,538
Archbishop Scholarship	-	11,400
Needy Parishes - Archbishop's Discretion	-	14,500
	<u>\$ 889,374</u>	<u>\$ 870,553</u>

Net assets with donor restrictions to be held in perpetuity are held by the Catholic Foundation. The Catholic Foundation board of trustees sets the distribution from the funds on an annual basis which is dependent on earnings on investments throughout the year. The board of trustees also adheres to an investment policy that employs a diversification and allocation strategy with a goal of preservation of endowment funds while producing income for distribution and growth.

Endowment funds with donor restrictions with a balance of \$3,225,309 as of June 30, 2024, had total activity during the 2024 fiscal year of contributions of \$2,600, resulting in total endowment funds with donor restrictions of \$3,227,909 as of June 30, 2025.

Net assets released from restriction due to expiration of time restrictions were \$2,242,416 and \$2,457,556 as of June 30, 2024 and 2023, respectively, and are included in the Combined Statements of Activities and Changes in Net Assets as Expiration of Annual Catholic Appeal donor restrictions.

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Changes in donor restricted net assets during 2025 and 2024 consisted of the following:

	With Donor Restrictions 2025
Net assets, beginning of the year, June 30, 2024	\$ 10,241,117
Investment income	171,288
Net investment appreciation (realized and unrealized)	418,856
Investment expense	(51,427)
Contributions	3,610,630
Net assets released	(3,131,790)
Net assets, end of year, June 30, 2025	<u>\$ 11,258,674</u>

	With Donor Restrictions 2024
Net assets, beginning of the year, June 30, 2023	\$ 9,865,919
Investment income	173,871
Net investment appreciation (realized and unrealized)	359,036
Investment expense	(60,761)
Contributions	3,321,161
Net assets released	(3,418,109)
Net assets, end of year, June 30, 2024	<u>\$ 10,241,117</u>

Catholic Health Initiatives

During 2004, 2005, and 2006, the Pastoral Center received a total of \$3,000,000 from CHI to be maintained in perpetuity to ensure the continuation of priest sacramental ministries in the former St. Joseph's Health System (SJHS) and for promotion of healthy communities. The Pastoral Center remitted the funds and accrued interest to the Catholic Foundation. Because the Pastoral Center placed the funds at the Catholic Foundation and is the principal beneficiary, balances held at the Catholic Foundation are included on the accompanying combined statements of financial position as investments held by the Catholic Foundation. Income earned for 2025 and 2024, was approximately \$39,000 and \$137,000, respectively. Distributions of approximately \$151,000 and \$148,000 at June 30, 2025 and 2024, respectively, were made by the Catholic Foundation from investment earnings based on donor fund agreements, Pastoral Center requests, Catholic Foundation policies, and board of trustees' decisions.

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Seminary Burses

Over a period of years, the Pastoral Center and various donors made contributions to support educational costs for Archdiocesan seminarians. The Pastoral Center remitted the funds to the Catholic Foundation. Because the Pastoral Center placed the funds at the Catholic Foundation and is the principal beneficiary, balances held at the Catholic Foundation are included on the accompanying combined statements of financial position as investments held by the Catholic Foundation. Income earned for 2025 and 2024, was approximately \$10,000 and \$36,000, respectively. Actual seminarian educational expenses incurred by the Pastoral Center in 2025 and 2024, totaled approximately \$452,000 and \$581,000, respectively, and are included in the various program services without donor restrictions in the combined statements of activities and changes in net assets. Distributions of approximately \$39,000 and \$41,000 at June 30, 2025 and 2024, respectively, were made by the Catholic Foundation from investment earnings based on donor fund agreements, Pastoral Center requests, Catholic Foundation policies, and board of trustees' decisions.

Catholic Extension Society

During 2018, the Pastoral Center made a contribution to the Mission Diocese Fund, LLC totaling approximately \$159,600 from funds received from parishioners through the Seminarian Endowment Challenge. The fund is managed by the Catholic Church Extension Society of the United States of America and its purpose is to support seminarian education. A match of \$50,000 was provided by the Catholic Extension Society for the Seminarian Endowment Challenge. Balances of \$513,129 and \$454,240 as of June 30, 2025 and 2024, respectively, are held at the Mission Diocese Fund and are included on the accompanying combined statements of financial position as investments held by the Catholic Extension Society. Income earned from the investment is restricted for expenses related to Seminarian education. For fiscal year 2025 and 2024, income earned was approximately \$59,000 and \$53,000, respectively.

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15) Net Assets Without Donor Restrictions—Internally Designated

Certain net assets are internally designated by the finance council and management and are included in net assets without donor restrictions. The internally designated funds at June 30 consist of the following:

	2025	2024
Net assets without donor restrictions internally designated		
Deacon formation program	\$ 54,590	\$ 44,584
Other	46,523	76,540
Catholic Schools Office - professional development	29,348	29,348
Archbishop Wester discretion	23,779	27,924
Youth conferences	18,752	16,540
Catholic Schools expenses/receipts	16,928	3,176
Diaconate retreat	16,886	12,783
Hispanic ministry fund	16,146	12,446
Promise for our future 5k run	15,882	15,467
Family Life - weekend for the engaged	13,476	12,742
Men under construction	8,047	8,047
Reimbursement seminarian student loans	7,482	7,482
Office of Worship	7,293	7,023
Emmaus journey	6,472	5,602
Youth Christian Leadership Institute	6,138	6,138
Youth and young adult - SEARCH Program	5,250	5,250
Catholic education scholarship fund	5,175	5,175
Pastoral/evangelical	5,104	6,851
Spanish lay formation	3,743	31,354
Deaf ministry	111	5,426
Diocesan Priest Retreat	-	19,122
Total net assets without donor restrictions - internally designated	<u>\$ 307,125</u>	<u>\$ 359,020</u>

Combined Supplementary Information

The Pastoral Center of the Roman Catholic Church of the Archdiocese of Santa Fe

Combined Schedules of Operating Revenues and Expenses Without Donor Restrictions – Miscellaneous For the Years Ended June 30, 2025 and 2024

	2025	2024
Miscellaneous Revenues		
Catholic Health Initiatives distributions	\$ 151,332	\$ 147,687
Catholic Foundation Ministry Assistance	250,000	250,000
Deacon formation	56,725	47,750
Rental income	-	(2,420)
Parish accounting services	3,718	37,192
CCA management fee	35,000	35,000
Parish audit fees	28,000	26,000
TV mass	9,685	5,589
Other	59,332	45,510
Tribunal fees	16,500	17,100
Total miscellaneous operating revenues without donor restrictions	<u>\$ 610,292</u>	<u>\$ 609,408</u>

	2025	2024
Miscellaneous Expenses		
Personal leave sellback	\$ 81,742	\$ -
Utility and property insurance unallocated	107,939	81,932
Property taxes	1,338	24,301
Other	123,237	89,437
Priest long-term care actuarial adjustment	145,059	1,979
Total miscellaneous expenses without donor restrictions	<u>\$ 459,315</u>	<u>\$ 197,649</u>