

Combined Financial Statements and
Report of Independent Certified Public
Accountants

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

June 30, 2025 and 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Archbishop of Boston

Opinion

We have audited the accompanying combined financial statements of the Roman Catholic Archbishop of Boston, a Corporation Sole (the "Corporation Sole"), which comprise the combined statements of financial position as of June 30, 2025 and June 30, 2024, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Corporation Sole as of June 30, 2025 and June 30, 2024, and the results of its operations 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 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 Corporation Sole 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 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 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 Corporation Sole's ability to continue as a going concern for one year after the date 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 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 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 Corporation Sole'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation Sole's ability to continue as a going concern for a reasonable period of time.

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



Boston, Massachusetts
December 19, 2025

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF FINANCIAL POSITION

**June 30,
(Dollars in thousands)**

	2025	2024
ASSETS		
Cash and cash equivalents		
Parish operations	\$ 86,951	\$ 95,815
Revolving loan fund	18,179	27,114
Central operations	11,379	6,978
Insurance operations	5,064	5,516
Parish reconfiguration	1,436	1,868
	<hr/>	<hr/>
Total cash and cash equivalents	123,009	137,291
Interest and dividends receivable, net	1,730	1,691
Prepaid expenses and other assets	33,871	28,357
Accounts receivable, net	3,576	2,544
Contributions receivable, net (Note 4)	6,701	4,506
Loans and notes receivable, net (Note 4)	15,600	20,737
Land and buildings held for sale (Note 6)	1,109	2,950
Investments (Note 5)	339,683	313,728
Interest in net assets of a foundation (Note 9)	54,470	52,025
Land, buildings and equipment, net (Note 6)	601,388	584,074
	<hr/>	<hr/>
Total assets	<hr/> <u>\$ 1,181,137</u>	<hr/> <u>\$ 1,147,903</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 25,119	\$ 23,351
Agency obligations	2,932	2,702
Reserves for losses (Note 10)	8,711	9,711
Due to related organizations	39,678	61,470
Deferred revenue and support	16,679	15,197
Accrued clergy pension and other post-retirement benefits (Note 13)	16,146	15,731
Other liabilities (Note 7)	2,819	2,466
Notes payable - related organizations (Note 7)	34,332	34,421
	<hr/>	<hr/>
Total liabilities	<hr/> <u>146,416</u>	<hr/> <u>165,049</u>
Commitments and contingencies (Note 11)		
Net assets		
Net assets without donor restrictions	892,256	845,595
Net assets with donor restrictions (Note 8)	142,465	137,259
	<hr/>	<hr/>
Total net assets	<hr/> <u>1,034,721</u>	<hr/> <u>982,854</u>
Total liabilities and net assets	<hr/> <u>\$ 1,181,137</u>	<hr/> <u>\$ 1,147,903</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF ACTIVITIES

Year ended June 30, 2025 (with summarized comparative total information for the year ended June 30, 2024)
(Dollars in thousands)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2025 Total	2024 Total
Revenues and other support				
Collections	\$ 117,207	\$ 2,351	\$ 119,558	\$ 117,302
Collections - clergy benefits	-	5,448	5,448	5,393
Catholic Appeal	14,632	124	14,756	14,603
Contributions, grants and bequests	52,090	10,927	63,017	57,580
Parish fundraiser events, net	10,993	-	10,993	10,942
Tuition and fees	124,794	-	124,794	119,341
Investment income	8,315	1,200	9,515	9,385
Rental income	21,674	-	21,674	20,810
Cemetery operations	4,258	-	4,258	4,287
Revenue from services provided (Note 14)	5,039	-	5,039	4,890
Sacramental offerings	8,861	-	8,861	8,620
Other revenues	12,431	5	12,436	10,534
Change in interest in net assets of a foundation	199	2,246	2,445	2,171
Net assets released from restrictions and reclassifications (Note 8)	<u>20,337</u>	<u>(20,337)</u>	<u>-</u>	<u>-</u>
 Total revenues and other support	 <u>400,830</u>	 <u>1,964</u>	 <u>402,794</u>	 <u>385,858</u>
Expenses				
Program				
Parish life and leadership and evangelization	195,850	-	195,850	185,930
Catholic education	164,483	-	164,483	152,431
Health and social services	5,627	-	5,627	5,184
Central and regional services	3,737	-	3,737	3,334
Media and public relations	823	-	823	680
Cemetery operations	5,000	-	5,000	4,735
 Total program expenses	 <u>375,520</u>	 <u>-</u>	 <u>375,520</u>	 <u>352,294</u>
Management and general	16,848	-	16,848	16,715
Fundraising (Note 14)	4,051	-	4,051	3,495
Parish reconfiguration (Note 6)	<u>148</u>	<u>-</u>	<u>148</u>	<u>382</u>
 Total expenses	 <u>396,567</u>	 <u>-</u>	 <u>396,567</u>	 <u>372,886</u>
 Operating income	 <u>4,263</u>	 <u>1,964</u>	 <u>6,227</u>	 <u>12,972</u>
Non-operating income (loss)				
Capital campaign contributions	-	4,364	4,364	5,208
Change in interest in perpetual trusts	-	418	418	372
Net assets released from restrictions (Note 8)	2,294	(2,294)	-	-
Net realized and unrealized gain on investments	15,537	754	16,291	23,340
Gain on sale of land and buildings (Note 14)	44,294	-	44,294	9,491
Insurance and other recoveries	752	-	752	1,427
Investment in related organization (Note 14)	4,624	-	4,624	2,205
Settlements and related expenses	(3,034)	-	(3,034)	(4,719)
Contribution to lay pension plan	(15,087)	-	(15,087)	-
Other contributions	(4,287)	-	(4,287)	(442)
Clergy pension-related (charges) credits other than periodic pension costs	<u>(2,695)</u>	<u>-</u>	<u>(2,695)</u>	<u>5,289</u>
 Non-operating income	 <u>42,398</u>	 <u>3,242</u>	 <u>45,640</u>	 <u>42,171</u>
CHANGE IN NET ASSETS				
 Net assets at beginning of year	 <u>46,661</u>	 <u>5,206</u>	 <u>51,867</u>	 <u>55,143</u>
 Net assets at end of year	 <u>\$ 892,256</u>	 <u>\$ 142,465</u>	 <u>\$ 1,034,721</u>	 <u>\$ 982,854</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF ACTIVITIES

Year ended June 30, 2024
(Dollars in thousands)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2024 Total
Revenues and other support			
Collections	\$ 115,413	\$ 1,889	\$ 117,302
Collections - clergy benefits	-	5,393	5,393
Catholic Appeal	13,878	725	14,603
Contributions, grants and bequests	48,994	8,586	57,580
Parish fundraiser events, net	10,942	-	10,942
Tuition and fees	119,341	-	119,341
Investment income	8,353	1,032	9,385
Rental income	20,810	-	20,810
Cemetery operations	4,287	-	4,287
Revenue from services provided (Note 14)	4,890	-	4,890
Sacramental offerings	8,620	-	8,620
Other revenues	10,529	5	10,534
Change in interest in net assets of a foundation	-	2,171	2,171
Net assets released from restrictions and reclassifications (Note 8)	21,002	(21,002)	-
 Total revenues and other support	 387,059	 (1,201)	 385,858
Expenses			
Program			
Parish life and leadership and evangelization	185,930	-	185,930
Catholic education	152,431	-	152,431
Health and social services	5,184	-	5,184
Central and regional services	3,334	-	3,334
Media and public relations	680	-	680
Cemetery operations	4,735	-	4,735
 Total program expenses	 352,294	 -	 352,294
Management and general	16,715	-	16,715
Fundraising (Note 14)	3,495	-	3,495
Parish reconfiguration (Note 6)	382	-	382
 Total expenses	 372,886	 -	 372,886
 Operating income (loss)	 14,173	 (1,201)	 12,972
Non-operating income (loss)			
Capital campaign contributions	-	5,208	5,208
Change in interest in perpetual trusts	-	372	372
Other contributions	(442)	-	(442)
Net assets released from restrictions (Note 8)	1,534	(1,534)	-
Net realized and unrealized gain on investments	21,525	1,815	23,340
Gain on sale of land and buildings	9,491	-	9,491
Insurance and other recoveries	1,427	-	1,427
Investment in related organization (Note 14)	2,205	-	2,205
Settlements and related expenses	(4,719)	-	(4,719)
Expense associated with a guarantee (Note 14)	-	-	-
Pension-related credits (charges) other than periodic pension costs	5,289	-	5,289
 Non-operating income	 36,310	 5,861	 42,171
CHANGE IN NET ASSETS			
Net assets at beginning of year	50,483	4,660	55,143
Net asset transfer	-	-	-
Net assets at end of year	\$ 845,595	\$ 137,259	\$ 982,854

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended June 30, 2025 (with summarized comparative total information for the year ended June 30, 2024)
(Dollars in thousands)

	Compensation Costs	Occupancy Costs	Office/Program Expenses	Professional/ Contract Services		Professional Development	All Other	2025 Total Expenses	2024 Total Expenses
Program									
Parish life, leadership and evangelization	\$ 99,476	\$ 65,869	\$ 22,700	\$ 3,610	\$ 603	\$ 3,592	\$ 195,850	\$ 185,930	
Catholic education	118,979	27,248	10,899	2,673	240	4,444	164,483	152,431	
Health and social services	2,902	856	756	122	13	978	5,627	5,184	
Central and regional services	2,400	55	175	104	388	615	3,737	3,334	
Media and public relations	330	3	68	198	2	222	823	680	
Cemetery operations	1,711	1,879	40	1,207	3	160	5,000	4,735	
Total program expenses	225,798	95,910	34,638	7,914	1,249	10,011	375,520	352,294	
Administrative services									
Management and general	8,659	2,667	295	3,030	44	2,153	16,848	16,715	
Fundraising (Note 14)	-	5	-	4,046	-	-	4,051	3,495	
Parish reconfiguration (Note 6)	-	143	-	5	-	-	148	382	
Total administrative services expenses	8,659	2,815	295	7,081	44	2,153	21,047	20,592	
Total operating expenses	\$ 234,457	\$ 98,725	\$ 34,933	\$ 14,995	\$ 1,293	\$ 12,164	\$ 396,567	\$ 372,886	

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

**Year ended June 30, 2024
(Dollars in thousands)**

	Compensation Costs	Occupancy Costs	Office/Program Expenses	Professional/ Contract Services	Professional Development	All Other	2024 Total Expenses
Program							
Parish life, leadership and evangelization	\$ 97,075	\$ 60,379	\$ 21,257	\$ 3,316	\$ 425	\$ 3,478	\$ 185,930
Catholic education	107,966	26,088	10,402	2,610	430	4,935	152,431
Health and social services	3,062	824	352	139	30	777	5,184
Central and regional services	2,233	347	146	82	289	237	3,334
Media and public relations	258	1	47	174	1	199	680
Cemetery operations	1,490	1,556	63	1,218	1	407	4,735
Total program expenses	212,084	89,195	32,267	7,539	1,176	10,033	352,294
Administrative services							
Management and general	7,959	2,571	315	2,758	47	3,065	16,715
Fundraising (Note 14)	-	-	-	3,495	-	-	3,495
Parish reconfiguration (Note 6)	-	373	-	9	-	-	382
Total administrative services expenses	7,959	2,944	315	6,262	47	3,065	20,592
Total operating expenses	<u>\$ 220,043</u>	<u>\$ 92,139</u>	<u>\$ 32,582</u>	<u>\$ 13,801</u>	<u>\$ 1,223</u>	<u>\$ 13,098</u>	<u>\$ 372,886</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

COMBINED STATEMENTS OF CASH FLOWS

**Years ended June 30,
(Dollars in thousands)**

	2025	2024
Operating activities:		
Change in net assets	\$ 51,867	\$ 55,143
Adjustments to reconcile the change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	27,103	25,765
Provision/(recovery) of uncollectible accounts, contributions and loans receivable	(592)	933
Gain on sale of land and buildings	(44,294)	(9,491)
Net realized and unrealized gain on investments	(16,291)	(23,340)
Contribution to lay pension plan	15,087	-
Property related insurance recoveries	(752)	(1,427)
Non-operating contributions	(77)	(5,138)
Change in interest in net assets of a foundation	(2,445)	(2,171)
Change in interest in perpetual trusts	(418)	(372)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(39)	(129)
Prepaid expenses and other assets	(5,096)	(1,018)
Accounts receivable	(440)	(415)
Contributions receivable	(2,195)	1,783
Accounts payable and accrued expenses	1,768	3,252
Agency obligations	230	273
Reserves for losses	(1,000)	(600)
Due to related organizations	(21,792)	8,089
Deferred revenue and support	1,482	(348)
Accrued clergy pension and other postretirement costs	415	(7,237)
Other liabilities	353	(4,079)
Net cash and cash equivalents provided by operating activities	<u>2,874</u>	<u>39,473</u>
Investing activities:		
Proceeds from sale of land, buildings and equipment	45,779	10,115
Purchase of land, buildings and equipment	(44,061)	(36,886)
Property related insurance recoveries	752	1,427
Proceeds from sale of investments and maturity of annuities	20,805	37,128
Purchase of investments	(30,469)	(40,124)
Loan activity, net	5,137	(1,714)
Net cash and cash equivalents used in investing activities	<u>(2,057)</u>	<u>(30,054)</u>
Financing activities:		
Repayments on note payable	(89)	(96)
Contribution to lay pension plan	(15,087)	-
Non-operating contributions	77	5,138
Net cash and cash equivalents (used) provided by financing activities	<u>(15,099)</u>	<u>5,042</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(14,282)</u>	<u>14,461</u>
Cash and cash equivalents at beginning of year	<u>137,291</u>	<u>122,830</u>
Cash and cash equivalents at end of year	<u>\$ 123,009</u>	<u>\$ 137,291</u>

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

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2025 and 2024
(Dollars in thousands)**

NOTE 1 - NATURE OF ORGANIZATION

The Roman Catholic Archbishop of Boston, a Corporation Sole (the "Corporation Sole") is a legal entity created under Massachusetts civil law in 1897 to provide the Roman Catholic Archbishop of Boston with a means to operate within, and be governed by, the public statutes of the Commonwealth of Massachusetts. The Corporation Sole, as an entity, is distinguishable from the Roman Catholic Archbishop of Boston, whose powers and responsibilities are established by Canon Law.

The accompanying combined financial statements of the Corporation Sole include the activities of all parishes and their controlled schools and cemeteries located within the Archdiocese of Boston (the "Archdiocese"), central operations (the Archdiocese administrative activities and programs) and the self-insurance program (as further described in Note 2).

The Roman Catholic Archbishop of Boston, by virtue of his office, serves as chairman of the board or president of numerous separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Corporation Sole, management doesn't consider them to be under the control of the Corporation Sole and, accordingly, their financial activities are not presented as part of the accompanying combined financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The combined financial statements of the Corporation Sole have been prepared on the accrual basis of accounting and in accordance with the accounting and reporting principles applicable to not-for-profit entities under accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany balances and transactions have been eliminated in the consolidation of the combined statements.

The Corporation Sole reports two classes of net assets and the changes in those net assets in the combined statements of financial position and combined statements of activities, respectively. The two classes of net assets - net assets without donor restriction and net assets with donor restrictions - are based on the existence or absence of donor-imposed restrictions. The two classifications are defined as follows:

Net assets without donor restrictions - Net assets and contributions that are not restricted by the donor or for which restrictions have expired. Included in net assets without donor restrictions are certain net assets restricted by the board as quasi-endowment assets.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that permit the Corporation Sole to use or expend the donated assets as specified and that are satisfied by either the passage of time or by actions of the Corporation Sole. Also included are the net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Corporation Sole or by a third party foundation or trustee for the benefit of the Corporation Sole. Generally, the donors of these assets permit the Corporation Sole to use, all or in part, the income earned on related investments for general or specific purposes.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

The Corporation Sole reports gifts of cash and other assets as restricted support if there are donor restrictions as to purpose or time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without restrictions and reported in the combined statement of activities as net assets released from restrictions.

The Corporation Sole reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used, in which case they are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Corporation Sole reports expirations of donor restrictions in the period the asset is placed in service. Donor-restricted gifts intended for capital projects received through parish fundraising campaigns are reported as non-operating contributions and are released from net assets with donor restrictions to be presented as net assets without donor-restricted support when the asset is placed in service.

Cash and Cash Equivalents

Financial instruments with original maturities of three months or less at the purchase date are classified as cash equivalents.

The Corporation Sole deposits its cash in major financial institutions. Deposits in transaction accounts are fully insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250 per institution. At times, funds deposited in banks are in excess of FDIC insured limits. The Corporation Sole reviews and monitors the strength of the financial institutions and as such has not experienced any losses as a result of the use of uninsured deposit accounts.

Accounts and Loans Receivable

Accounts receivable include amounts due for tuition and amounts due from related organizations for insurance and other central services and are reduced to their estimated net realizable value through an allowance for doubtful accounts. Loans receivable represent loans made to related organizations.

Loans receivable are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Generally, loans are granted for specific periods of time and contain specific provisions regarding payment terms and collateral. Interest income on performing loans is accrued on the respective unpaid principal balance. Lending rates on new loans typically ranged from 4% to 5% for the years ended June 30, 2025 and 2024. These loans were approved and funded by the Revolving Loan Fund ("RLF"), a central administrative activity of the Corporation Sole. RLF provides parishes, as well as parish schools, central operations and other Catholic organizations operating under the auspices of the Archdiocese, with savings and loan services. RLF also provides a vehicle through which parishes and other institutions within the Archdiocese can aggregate funds to earn interest. RLF loans to parishes, parish schools and central operations are eliminated in consolidation.

Loans are generally classified as nonperforming when payment is deemed to be doubtful. 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.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Allowances for Accounts Receivable and Loan Losses

The allowances for accounts receivable and loan losses are maintained at a level believed by management to be representative of inherent losses estimated on the basis of factors such as the risk characteristics of the borrowers, underlying collateral and current economic conditions that may affect the borrower's ability to pay. Loans and accounts receivable are written-off in whole or in part when, in management's opinion, collectability is considered remote. Subsequent recoveries, if any, are recorded as an increase to income.

While management uses available information to establish the allowances for accounts receivable and loan losses, future additions or reductions to the allowances may become necessary if circumstances differ from the assumptions used in making the evaluation as of each reporting date.

Fair Value Measurements

The Corporation Sole measures the fair values of certain assets and liabilities at an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The Corporation Sole classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets and liabilities), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs). A qualifying asset's or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

The fair value of the Corporation Sole's investments is discussed in Note 12. The below is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, as well as the general classification pursuant to the valuation hierarchy.

Investments

Investments are carried at fair value. Changes in fair values are reflected in the combined statements of activities as unrealized gains or losses on investments.

Included in investments are holdings in the Common Investment Fund, Roman Catholic Archbishop of Boston (the "Common Investment Fund"); the Fixed Income Investment Fund, Roman Catholic Archbishop of Boston (the "Fixed Income Fund") and the Income Opportunity Fund, Roman Catholic Archbishop of Boston (the "Income Opportunity Fund"); collectively the "Funds." All are related organizations established to provide common investment pools in which the Corporation Sole and other Catholic organizations may participate. The participants own units based upon a per-unit value at the time of purchase. It is the policy of the Common Investment Fund to distribute a dividend to its members on a quarterly basis of 1% of its net assets as of the previous quarter end. The Fixed Income Fund and the Income Opportunity Fund do not have a policy of making automatic distributions. These dividend policies are subject to change at the discretion of the Roman Catholic Archbishop of Boston. The Funds incur service fees from the Corporation Sole for administrative and clerical services performed on their behalf (Note 14).

The Common Investment Fund invests all of its funds in the Collective Investment Partnership, Roman Catholic Archbishop of Boston (the "Partnership"), the underlying investments of which include equity and fixed-income securities owned either directly or indirectly through mutual funds and separately managed accounts.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

The fair value of the Fixed Income Fund's, the Income Opportunity Fund's and the Partnership's investments in domestic and foreign securities listed on securities exchanges is valued at the last reported sale price. For those securities whose prices are not available through independent pricing services, bid price quotations are obtained by the investment custodian from principal market makers in those securities or at fair value as determined in good faith by investment managers. Securities whose prices are not available through independent pricing services are recorded at fair value based on the net asset value ("NAV") per share on the valuation date as reported by the individual investment managers.

Short-Term and Other Investments

Short-term and other investments consist of certificates of deposit, mutual funds, fixed income and equity securities. Mutual funds are valued based on quoted prices in active markets and are classified within Level 1 of the fair value hierarchy. Fixed income and equity securities listed on securities exchanges are valued at the last sale price or official closing price on each business day or if there is no such reported sale or official closing price at the most recent quoted bid price. Fixed income securities not listed on securities exchanges are classified as Level 2 of the fair value hierarchy. Certificates of deposit are valued at original cost plus accrued interest, which approximates fair value, and are classified within Level 2 of the fair value hierarchy.

Beneficial Interest in Trusts

The Corporation Sole is the beneficiary of several trusts maintained by third-party trustees. These beneficial interests are included in prepaid expense and other assets in the combined statements of financial position. The Corporation Sole records the fair value of the trusts on a recurring basis based on the Corporation Sole's share of the underlying investment portfolio that consists of actively traded equities, bonds and money market funds. The trusts are managed by financial institutions and investment managers who provide statements on a regular basis presenting the market value of the portfolio holdings.

The Corporation Sole believes that these valuations are a reasonable estimate of fair value as of June 30, 2025 and 2024, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed. Investment securities, in general, are exposed to various risks, such as interest rate, credit, currency exchange 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 that such changes could materially affect amounts reported in the combined financial statements.

Interest in Net Assets of a Foundation

The Corporation Sole is a designated beneficiary in certain endowments, capital campaign contributions and charitable gift annuities held by The Catholic Community Fund of the Archdiocese of Boston, Inc. ("The Catholic Community Fund"), a related organization. The beneficial interest in net assets of The Catholic Community Fund is reflected on the combined statements of financial position as an interest in net assets of a foundation. The Corporation Sole receives quarterly distributions on certain endowments to support central ministries and parish programs, distributions from charitable gift annuities when the annuity obligation is satisfied and capital campaign distributions. Changes to this beneficial interest for distributions, new contributions and investment activity are reflected in the combined statements of activities.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Land, Buildings and Equipment

Land and land improvements, buildings and building improvements, and furniture and equipment are carried at cost, or if donated, at fair value at the time of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets, which range from five years for furniture and equipment to 40 years for buildings. Expenditures for maintenance and repairs are charged to expense, whereas major betterments are capitalized.

Land and buildings held for sale are accounted for at the lower of cost or market. When buildings are classified as held for sale, depreciation is no longer recorded.

Reserves for Losses

Self Insurance and Reinsurance

The Corporation Sole is partially self-insured for various risks incidental to the normal course of its activities. Such risks include general liability claims (up to \$250 per occurrence), theft losses and sudden accidental occurrences to boilers and related equipment. In addition, the Corporation Sole participates with other Catholic organizations in a separate workers' compensation self-insurance group, Massachusetts Catholic Self-Insurance Group, Inc.

The Corporation Sole also permits related organizations within the Archdiocese of Boston as well as other Catholic organizations to participate in its risk management program. A contribution is assessed to these entities based on the type of risks shared among these organizations. The typical risk areas that the other organizations participate in include automobile liability, physical property damage and general liability. The Corporation Sole provides coverage for the peril of all fire, sudden and accidental occurrences, catastrophic umbrella liability and other miscellaneous coverage through the direct purchase of insurance.

Most coverage for the aforementioned risks is obtained through Fides Insurance Group, Inc. ("Fides"), a captive insurance company domiciled in Vermont, which is a related organization. Fides currently provides the first \$500 (per occurrence) of property insurance and the first \$1,000 of general, professional and directors and officers liability for the parishes and institutions. Fides also provides auto, employment practices liability, boiler and machinery and additional liability coverages.

Clergy Misconduct Claims

The Corporation Sole estimates a reserve for settlement of reported misconduct claims and direct related litigation costs based on its historical settlement experience. An additional reserve is accrued using the same historical settlement data for incurred but not reported claims based on an independent analysis performed by an actuary.

The reserves for losses are based on losses reported, historical experience and estimates of future trends in loss severity and frequency and other factors, which could vary as claims are ultimately settled. The actual amount of losses and loss adjustment expenses may vary significantly from the estimated amounts included in the combined financial statements. The methods used to develop these reserves are subject to continuing review and refinement, and any necessary adjustments to these reserves are reflected in the combined statements of activities in the year identified.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Deferred Revenue and Support

Deferred revenue and support represents payments received and amounts billed but unpaid for tuition, fees and support for program services to be provided in future periods and other revenues received but not earned in the current fiscal year.

Pension Benefits for Clergy

Clergy pension obligations and other post-retirement benefits are actuarially determined and are affected by several assumptions, including the discount rate used to present value expected future benefit payments and the annual rates of return on plan assets. Changes in discount rate and differences from expected results will affect the amounts of pension and other post-retirement expense recognized in future periods. These assumptions may also have an effect on the amount and timing of future cash contributions. The Corporation Sole recognizes the over-funded or under-funded status of defined benefit post-retirement plans in its combined statement of financial position measured as the difference between the fair value of plan assets and the benefit obligation. The change in the funded status of the plan is recognized in the year in which the change occurs through non-operating income (loss) in the combined statements of activities. These provisions also require plan assets and obligations to be measured as of the Corporation Sole's statement of financial position date.

Collections

Collections represent contributions received by Archdiocesan parishes for general and specified purposes. These funds are raised for parish operations and other purposes such as hunger, homelessness, disaster relief and other human welfare programs and are reported as revenue in the combined statement of activities. Collections at Archdiocesan parishes for specified beneficiary organizations are not recorded as revenues, but are reflected as agency obligations until such time as the funds are remitted to the specified organizations.

Catholic Appeal

The Catholic Appeal represents an annual solicitation by Boston Catholic Development Services, Inc. ("BCDS"), on behalf of the Corporation Sole, through both direct mailings and Archdiocesan parishes in support of the central ministry activities and programs of the Archdiocese of Boston.

The funds raised from the Catholic Appeal are reflected separately from the change in interest in net assets of a foundation in the combined statements of activities and from the interest in net assets of a foundation in the combined statements of financial position.

The funds raised from the Catholic Appeal are reported on a fiscal-year basis, which differs from the actual Catholic Appeal year (February through January). Consequently, the results reported include overlapping Catholic Appeal years.

Contributions

Unconditional promises to give are recognized as support on the date the promise is verifiably committed. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is calculated as the present value of their estimated future cash flows.

Unconditional promises to give are reported as contributions receivable. Conditional promises to give are not recognized as support until the conditions are substantially met.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Parish Fundraiser Events

Parish fundraising events are reflected in the combined statements of activities net of \$5,271 and \$5,434 of direct fundraising expenses for the years ended June 30, 2025 and 2024, respectively.

Tuition and Fees

Tuition and fees are recognized as revenue in the period to which they relate. Student deposits and tuition paid in advance are included in deferred revenue and support in the accompanying combined statements of financial position. Tuition and fee revenues are reported net of the discount attributable to reduction in amounts charged to students. Accounts receivable and deferred revenue related to subsequent fiscal years are netted for financial statement presentation purposes.

Rental Income

External parties, and to a limited extent related organizations, are charged rent for the use of property owned and operated by the Corporation Sole. Rental income is recognized on a straight-line basis.

Parish Cemetery Operations

Future care funds include only such funds for cemeteries operated by parishes within the Archdiocese of Boston. They do not include the future care funds of cemeteries that are owned and operated by The Catholic Cemetery Association of the Archdiocese of Boston, Inc., a related organization.

Revenue from Services Provided

The Corporation Sole provides various administrative, technology and clerical services to related Catholic organizations for which it charges fees. Such services include risk and benefits management, treasury and investment management, financial management, information technology and property management services. Such revenue is recognized when services are provided. Fees and other revenue are also generated by pastoral and ministerial workshops and retreats.

Sacramental Offerings

Revenues from sacramental offerings related to baptisms, marriages and funerals are recognized when received.

Other Revenues

Other revenue primarily represents income from various goods sold and services provided by the parishes and parish schools. Such revenues are recognized when the goods are sold or as services are provided.

Beneficiary in Wills and Estates

The Corporation Sole is named as a beneficiary in numerous wills and estates. The Corporation Sole deems these to be intentions to give and not unconditional promises to give. The Corporation Sole recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Corporation Sole having the ability to determine the fair value of the estate.

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Income Taxes

The Corporation Sole is included in the annual United States Conference of Catholic Bishops Internal Revenue Service Group Ruling and is a not-for-profit organization as described in Section 501(c) (3) of the Internal Revenue Code (the "Code"), as amended, and is generally exempt from income taxes pursuant to Section 501(a) of the Code. The Corporation Sole is required to assess uncertain tax positions and has determined that there were no such positions that are material to the combined financial statements.

Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on the combined statements of functional expenses. The combined statements of functional expenses present the natural classification detail of expenses by program. Costs have been allocated among the programs and supporting services based on an estimate of the relative effort expended for the related functions. Depreciation has been allocated to the various programs using the weighted average of individual program expenses to total program expenses and is included in occupancy costs.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant items presented herein affected by the use of estimates are the allowances for uncollectible loans and accounts receivable, the fair value of investments, depreciable lives of buildings and equipment, reserves for losses, the accrued pension and other post-retirement obligations and the functional allocation of expenses. Actual results could vary from those estimates.

Reclassifications

Certain information in the fiscal 2024 combined financial statements has been reclassified to conform to the fiscal 2025 presentation. There were no changes in total expenses or changes in net assets as reflected in the fiscal 2024 combined financial statements as a result of the reclassifications. \$4,314 was reclassified from the Collections – clergy benefits operating revenue line item to the clergy pension related credits non-operating income line item.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following schedule reflects the Corporation Sole's financial assets at June 30, 2025 and 2024, reduced by amounts not available for general use within one year of the combined statements of financial position date because of contractual or donor-imposed restrictions, or internal special designation of funds. These financial assets available for general expenditure, such as without donor restrictions or other restrictions limiting their use, within one year of the combined statements of financial position include the following:

	2025	2024
Cash and cash equivalents	\$ 123,009	\$ 137,291
Interest and dividends receivable, net	1,730	1,691
Accounts receivable, net	3,576	2,544
Contributions receivable, net (due in one year)	3,760	1,430
Investments	339,683	313,728
Interest in net assets of a foundation	<u>54,470</u>	<u>52,025</u>
 Total financial assets	 526,228	 508,709
 Contractual or donor-imposed restrictions:		
Endowment funds	(49,773)	(50,031)
Other donor restrictions	(92,692)	(87,228)
Funds held for others	(39,678)	(61,511)
 Board designations:		
Quasi-endowment funds	<u>(6,418)</u>	<u>(6,903)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 337,667</u>	 <u>\$ 303,036</u>

The majority of the financial assets available to meet cash needs for general expenditures within one year are parish, school and cemetery financial assets and are not available to central operations. The Corporation Sole maintains lines of credit (see Note 7) for central operations cash flow needs should they arise.

NOTE 4 - CONTRIBUTIONS, LOANS AND NOTE RECEIVABLE

Contributions Receivable, Net

Contributions receivable consisted of the following at June 30:

	2025	2024
Contributions receivable	\$ 7,080	\$ 4,885
Less: allowance for uncollectible pledges	<u>(379)</u>	<u>(379)</u>
 Contributions receivable, net	 <u>\$ 6,701</u>	 <u>\$ 4,506</u>

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

All pledges are expected to be collected over the next five years with the majority to be collected in one year or less.

Loans and Notes Receivable, Net

Loans and notes receivable, authorized and funded by RLF (Note 2), consisted of the following at June 30 and are due from various related organizations (including but not limited to Bishop Fenwick High School, Inc., Saint Mary High School, Inc. and Cathedral High School, Inc.):

	2025	2024
Loans and notes receivable	\$ 17,128	\$ 22,265
Allowance for loan losses	<u>(1,528)</u>	<u>(1,528)</u>
 Loans receivable, net	 <u>\$ 15,600</u>	 <u>\$ 20,737</u>

Accrued interest on these loans and notes receivable is included in interest and dividends receivable on the combined statements of financial position.

NOTE 5 - INVESTMENTS

Investments consisted of the following at June 30:

	2025	2024
Common Investment Fund	\$ 162,957	\$ 148,651
Fixed Income Fund	80,461	68,780
Income Opportunity Fund	67,704	58,775
Short-term investments	28,548	37,519
Other investments:		
Money market funds	<u>13</u>	<u>3</u>
 Total investments	 <u>\$ 339,683</u>	 <u>\$ 313,728</u>

**Roman Catholic Archbishop of Boston,
A Corporation Sole**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

NOTE 6 - LAND BUILDINGS AND EQUIPMENT

Land, buildings and equipment consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Land and land improvements	\$ 64,016	\$ 62,930
Buildings and improvements	1,468,052	1,432,106
Furniture and equipment	126,062	119,571
 Total	 1,658,130	 1,614,607
 Less: accumulated depreciation	 (1,056,742)	 (1,030,533)
 Land, buildings and equipment, net	 \$ 601,388	 \$ 584,074

Land and buildings held for sale totaling \$1,109 and \$2,950 at June 30, 2025 and 2024, respectively, are carried at cost, net of accumulated depreciation at the date the property was classified as held for sale, which is less than estimated net realizable value.

The Corporation Sole leases certain of its properties primarily to unrelated third parties. At June 30, 2025, scheduled receipts for the next five years and thereafter under non-cancelable long-term rental agreements are as follows:

Years Ending June 30,

2026	\$ 14,738
2027	10,116
2028	7,921
2029	6,725
2030	4,292
Thereafter	<u>124,832</u>
 Total	 \$ 168,624

Parish Reconfiguration

In 2004, the Corporation Sole entered into a reconfiguration plan that included the suppression of certain parishes within the Archdiocese of Boston. This plan was in response to significant changes occurring within the Archdiocese of Boston, including changing demographics, a decline in the number of clergy and the impact of deferred maintenance on parish properties. Seventy-six parishes have been closed and consolidated with adjoining parishes.

The land and buildings associated with 50 suppressed parishes have been sold through June 30, 2025. Gains of \$0 and \$5,354 were recognized during the years ended June 30, 2025 and 2024, respectively, for reconfiguration sales. These gains are included in the accompanying combined statements of activities within gain on sale of land and buildings. Assets held for sale are recorded at the lower of cost or fair value less estimated costs to sell.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

The costs of maintaining the suppressed parish properties are included in the accompanying combined statements of activities as parish reconfiguration expenses.

NOTE 7 - NOTES PAYABLE, LINES OF CREDIT AND LOANS PAYABLE

Notes Payable - Related Organizations

In October 2008, the Corporation Sole entered into a 10-year promissory note with St. John's Seminary (the "Seminary") for \$36,408 in connection with the August 2007 joint sale of property. This note is non-interest bearing and subordinated to all other liabilities, obligations and indebtedness of the Corporation Sole. This promissory note was originally due and payable in one lump-sum payment on August 23, 2017. On September 22, 2014, the Seminary Board of Trustees voted to extend the due date to August 23, 2027. During the years ended June 30, 2025 and 2024, intercompany receivables of \$89 and \$96, respectively, were also offset against the Seminary promissory note. The note payable totaled \$34,332 and \$34,421 at June 30, 2025 and 2024, respectively.

In October 2019, the Corporation Sole entered into an unsecured note payable with a related entity which allows for borrowings up to \$3,500. Interest accrues at 2.0% and is due and payable on a monthly basis. There were no outstanding borrowings at June 30, 2025 and 2024.

Lines of Credit

The Corporation Sole maintains an unsecured line of credit agreement with a bank which allows for borrowings up to \$10,000 at the bank's prime rate minus 1.3%. The rate was 6.20% and 7.20% at June 30, 2025 and 2024, respectively. There were no outstanding borrowings at June 30, 2025 and 2024. The line of credit is subject to a review annually in March. Based upon the results of such annual review, the bank, at its sole discretion, may agree to extend the term of the line of credit or demand payment.

On February 11, 2020, the Corporation Sole entered into a secured line of credit agreement with a bank, which allows for borrowings up to \$8,000 at the bank's prime rate minus 0.75%. Loan advances are capped at 50% of the value of pledged real estate owned by Central Operations. Advances are secured by a first mortgage plus assignment of leases and rents on the pledged real estate. The rate was 6.75% and 7.75% at June 30, 2025 and 2024, respectively. There were no outstanding borrowings at June 30, 2025 and 2024.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions were expended for the following purposes for the years ended June 30:

	2025	2024
Buildings and equipment	\$ 7,425	\$ 4,917
Special collections	2,536	1,854
Parish life and leadership and evangelization	9,736	15,208
Catholic education	2,832	3,422
Health and social services	68	462
Central ministries	34	987
 Total	 \$ 22,631	 \$ 26,850

Net assets with donor restrictions - purpose restricted (including appreciation on endowments) were available for the following purposes at June 30:

	2025	2024
Buildings and equipment	\$ 32,635	\$ 32,519
Special collections	135	142
Parish life and leadership and evangelization	31,601	29,782
Catholic education	10,800	10,149
Health and social services	1,315	1,238
Central ministries	16,206	13,398
 Total	 \$ 92,692	 \$ 87,228

Net assets restricted in perpetuity for the following purposes consist of the following at June 30:

	2025	2024
Parish life and leadership and evangelization	\$ 34,673	\$ 34,718
Catholic education	4,301	4,564
Health and social services	175	174
Central ministries	10,624	10,575
 Total	 \$ 49,773	 \$ 50,031

NOTE 9 - ENDOWMENTS

The Corporation Sole's endowment, including board designated endowments and endowments held by The Catholic Community Fund and presented herein as interest in net assets of a foundation, consists of 175 individual funds established for the support of various programs and central ministries. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Interpretation of Relevant Law

In accordance with the Uniform Prudent Management of Institutional Funds of Massachusetts Act (“UPMIFA”), the Corporation Sole has continued to follow its policy of preserving the corpus of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation Sole classifies as net assets with donor restrictions - corpus all of the following: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment, if any; 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, if any. This is regarded as the “historic dollar value” of the endowed fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions - corpus and is regarded as “net appreciation” is classified as net assets with donor restrictions - time and/or purpose restricted until it is appropriated for expenditure in a manner consistent with the donor’s intentions and the Corporation Sole’s spending policy.

Endowment Investment Policy

The Corporation Sole has adopted an investment policy which attempts to provide a predictable stream of investment returns thereby making funds available annually to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Corporation Sole must hold in perpetuity or for donor-specified periods. Under the Corporation Sole’s investment policy and spending policy, both of which are approved by the Roman Catholic Archbishop of Boston, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the approved quarterly spending rate over a long period of time. Actual returns in any given year will vary and actual spending may exceed the quarterly dividend distributions.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Corporation Sole relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The majority of endowment investments are invested in the Common Investment Fund, which in turn invests in the Collective Investment Partnership. The Investment Committee of the Roman Catholic Archbishop of Boston’s Finance Council is responsible for selecting the investment managers of the Collective Investment Partnership. The Investment Committee’s investment rationale is to include an array of different strategies and investment managers for the Collective Investment Partnership’s portfolio to reduce overall volatility while providing investment returns above industry benchmarks.

Spending Policy

It is the policy of the Roman Catholic Archbishop of Boston to appropriate for distribution on a quarterly basis 1% of the net assets of the endowment as of the previous quarter end. In establishing this policy, the Corporation Sole considered the long-term expected return on its endowments. Accordingly, over the long term, the Corporation Sole expects the impact of the current spending policy to allow its endowments (including unspent appreciation) to grow at a nominal rate. This is consistent with the Corporation Sole’s objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return. Actual distributions from the endowments may exceed the quarterly dividend.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Endowment net asset composition as of June 30 is as follows:

	2025				
	Without Donor Restrictions	With Donor Restrictions - Time and/or Purpose Restricted	With Donor Restrictions - Corpus	Total	
	\$	\$	\$	\$	
Board-designated endowments	\$ 6,418	\$ -	\$ -	\$ 6,418	
Donor-restricted endowments					
Endowments	- -	4,783	8,536	13,319	
Beneficial interest in The Catholic Community Fund	- -	18,048	34,543	52,591	
Beneficial interest in perpetual trusts	- -	- -	6,694	6,694	
	\$ 6,418	\$ 22,831	\$ 49,773	\$ 79,022	
		2024			
	2024				
	Without Donor Restrictions	With Donor Restrictions - Time and/or Purpose Restricted	With Donor Restrictions - Corpus	Total	
	\$	\$	\$	\$	
Board-designated endowments	\$ 6,903	\$ -	\$ -	\$ 6,903	
Donor-restricted endowments					
Endowments	- -	4,587	9,126	13,713	
Beneficial interest in The Catholic Community Fund	- -	16,308	34,629	50,937	
Beneficial interest in perpetual trusts	- -	- -	6,276	6,276	
	\$ 6,903	\$ 20,895	\$ 50,031	\$ 77,829	

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

Changes in endowment net assets for the years ended June 30 are as follows:

	2025				
	Without Donor Restrictions	With Donor Restrictions - Time and/or Purpose Restricted	With Donor Restrictions - Corpus	Total	
	\$	\$	\$	\$	
Endowment net assets, beginning of year	\$ 6,903	\$ 20,895	\$ 50,031	\$ 77,829	
Change in interest in net assets of a foundation	-	1,740	(86)	1,654	
Change in beneficial interest in perpetual trusts	-	-	418	418	
Investment return					
Investment income	271	356	-	627	
Net appreciation	179	262	-	441	
Total investment return	450	618	-	1,068	
Appropriation of endowment assets for operations (draw)	(935)	(422)	-	(1,357)	
Net asset transfer and reclassification	-	-	(590)	(590)	
Endowment net assets, end of year	<u>\$ 6,418</u>	<u>\$ 22,831</u>	<u>\$ 49,773</u>	<u>\$ 79,022</u>	

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

	2024			
	Without Donor Restrictions	With Donor Restrictions - Time and/or Purpose Restricted	With Donor Restrictions - Corpus	Total
Endowment net assets, beginning of year	\$ 6,324	\$ 16,074	\$ 48,917	\$ 71,315
Contributions and bequests	-	-	40	40
Change in interest in net assets of a foundation	-	3,869	762	4,631
Change in beneficial interest in perpetual trusts	-	-	372	372
Investment return				
Investment income	259	405	-	664
Net appreciation	579	754	-	1,333
Total investment return	838	1,159	-	1,997
Appropriation of endowment assets for operations (draw)	(259)	(202)	-	(461)
Net asset transfer and reclassification	-	(5)	(60)	(65)
Endowment net assets, end of year	\$ 6,903	\$ 20,895	\$ 50,031	\$ 77,829

NOTE 10 - RESERVES FOR LOSSES

The Corporation Sole has substantially exhausted its insurance coverage for clergy misconduct claims and is self-insured for this risk of loss. The ultimate cost to defend or settle these claims is subject to uncertainty and the estimated liability is subject to change. The nature and the magnitude of the potential effects of these claims could have a material impact on the Corporation Sole's financial condition and cash flows.

At June 30, 2025 and 2024, the Corporation Sole's reserve for estimated future settlements was \$8,500 and \$9,500, respectively, which is included in the reserves for losses in the accompanying combined statements of financial position. During the years ended June 30, 2025 and 2024, the Corporation Sole entered into settlement agreements with individuals who had brought sexual misconduct claims requiring aggregate payments of \$2,051 and \$2,630, respectively.

The Corporation Sole and related organizations are partially self-insured for various risks incidental to the normal course of its activities. Such risks include general liability claims, theft losses and sudden accidental occurrences to boilers and related equipment. At June 30, 2025 and 2024, the Corporation Sole's reserve for these self-insurance losses was \$211 and \$211, respectively, which is included in the reserves for losses in the accompanying combined statements of financial position.

**Roman Catholic Archbishop of Boston,
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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
(Dollars in thousands)**

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Construction

The Corporation Sole has commitments to fund future construction and other contracted costs in the amount of \$14,886 and \$11,146 at June 30, 2025 and 2024, respectively.

Other Legal Proceedings

The Corporation Sole is involved in various legal proceedings arising out of and incidental to its activities other than claims of sexual misconduct discussed in Note 10. In management's opinion, the ultimate liability which may arise from these proceedings is not expected to have a material effect on the Corporation Sole's net assets, changes in net assets and cash flows.

Guarantees

Certain related entity high schools have entered into loan agreements with banks to finance leasehold improvements to buildings owned by the Corporation Sole and lines of credit for working capital purposes. Performance on these loan agreements is guaranteed by the Corporation Sole under non-recourse guarantee agreements secured by the properties owned by the Corporation Sole. The outstanding balances on the loans totaled \$9,995 and \$10,408 at June 30, 2025 and 2024, respectively. The estimated fair value of the respective land and buildings exceeds the respective loan amounts. The related high schools are current on their debt payments. As such, the loan guarantees have not been recorded as a liability by the Corporation Sole.

NOTE 12 - FAIR VALUE MEASUREMENTS

The Corporation Sole's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2025 and 2024 are presented in the tables below. Financial assets and liabilities measured at fair value on a non-recurring basis are excluded from the tables.

	June 30, 2025					
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total	
Short-term investments	\$ 6,264	\$ 22,284	\$ -	\$ -	\$ 28,548	
Investment in Common Investment Fund	-	-	-	162,957	162,957	
Investment in Fixed Income Fund	-	-	-	80,462	80,462	
Investment in Income Opportunity Fund	-	-	-	67,705	67,705	
Money market funds	-	11	-	-	11	
 Total investments	 6,264	 22,295		311,124	339,683	
 Beneficial interest in trusts	 -	 -	8,489	-	8,489	
 Total	 \$ 6,264	 \$ 22,295	\$ 8,489	\$ 311,124	\$ 348,172	

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**June 30, 2025 and 2024
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	June 30, 2024				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at NAV	Total
Short-term investments	\$ 12,487	\$ 25,032	\$ -	\$ -	\$ 37,519
Investment in Common Investment Fund	-	-	-	148,651	148,651
Investment in Fixed Income Fund	-	-	-	68,780	68,780
Investment in Income Opportunity Fund	-	-	-	58,775	58,775
Money market funds	-	3	-	-	3
Total investments	12,487	25,035	-	276,206	313,728
Beneficial interest in trusts	-	-	7,997	-	7,997
Total	\$ 12,487	\$ 25,035	\$ 7,997	\$ 276,206	\$ 321,725

Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy above. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position.

The Corporation Sole recognizes transfers between fair value hierarchy levels at the measurement date. There were no transfers between levels within the fair value during the year.

NOTE 13 - BENEFIT PLANS

Lay Employee Pension Plan

The Corporation Sole was a participant with other related Archdiocesan organizations in a pension plan covering substantially all lay employees, the Roman Catholic Archdiocese of Boston Pension Plan (the "Pension Plan"), that has been characterized for financial accounting purposes as a multiemployer pension plan, a noncontributory benefit plan established by the Corporation Sole.

The Pension Plan was designed to provide retirement benefits for eligible lay employees of Corporation Sole and participating related Archdiocesan organizations. Effective December 31, 2011, per a vote of the Pension Plan Trustees, the Pension Plan was amended to freeze the accrual of additional benefits.

At June 30, 2024, the Pension Plan was 73% funded. In fiscal 2025, the remaining liability was transferred to an insurance company. The Pension Plan was fully annuitized at June 30, 2025. The Pension Plan trustees have voted to terminate the Pension Plan. The necessary filing with the Internal Revenue Service is in process. The Corporation Sole made a payment to the Pension Plan in order for the Pension Plan to meet the criteria for annuitization. That expense is recorded in non-operating income/(loss) as a Contribution to lay pension plan for \$15,087.

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Employee 401(k) Plan

On January 1, 2012, the Corporation Sole created a 401(k) defined contribution plan (the "Plan"). The Corporation Sole participates with other Catholic organizations in this plan, for whom the recordkeeper is TIAA-CREF. Eligible lay employees and incardinated priests of the Archdiocese of Boston may elect to make retirement savings contributions to the Plan, which were matched by the Corporation Sole up to 4% of employee compensation for the years ended June 30, 2025 and 2024. Employee benefit costs associated with this plan amounted to \$4,515 and \$3,999 for the years ended June 30, 2025 and 2024, respectively.

Lay Employee Health and Dental Benefit Plan

The Corporation Sole participates with other related Archdiocesan organizations in a health and dental plan that is offered to all eligible lay employees known as the Roman Catholic Archdiocese of Boston Health Benefit Plan (the "Health Plan"). The Corporation Sole's employees represent approximately 56% of all lay employees covered under the Health Plan. The Health Plan agreement provides that the participating employers make monthly contributions to the Health Plan of a specified amount for each class of employee. The Corporation Sole's contributions to the Health Plan amounted to \$21,442 and \$19,168 for the years ended June 30, 2025 and 2024, respectively.

Clergy Health and Retirement Plans

The Archdiocese of Boston Clergy Trust (the "CT")

Benefits for priests incardinated in the Archdiocese of Boston who are in good standing within the norms of Canon Law ("Eligible Priests") are provided through the Archdiocese of Boston Clergy Trust, which represents collectively all trusts, as they may exist from time to time, that provide for the health, welfare, disability, and retirement of Eligible Priests. The CT includes the financial position and activities of the Archdiocese of Boston Clergy Benefit Funding Trust (the "Funding Trust"), the Archdiocese of Boston Clergy Retirement Trust (the "Retirement Trust"), the Archdiocese of Boston Clergy Medical/Hospitalization Trust (the "Medical Trust") and the Archdiocese of Boston Regina Cleri Trust ("Regina Cleri Trust").

The CT was established for the purpose of generating and providing support for the benefit of Eligible Priests incardinated in the Archdiocese of Boston, as directed by the Roman Catholic Archbishop of Boston. The CT is not subjected to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Roman Catholic Archbishop of Boston, by virtue of his office, is responsible for providing for health, welfare, disability and retirement for Eligible Priests. He appoints the Board of Trustees of the CT but does not serve as a Trustee.

The Board of Trustees of the CT assists the Archbishop of Boston in his responsibilities to Eligible Priests by administering the CT. The Trustees are authorized and empowered to manage the assets of, and benefits provided by the CT as deemed necessary.

The Roman Catholic Archbishop of Boston has elected to fulfill his obligation to Eligible Priests through the Retirement Trust by offering a single-employer, noncontributory, defined benefit retirement and disability plan. Benefits for priests who are on administrative leave and who are in canonical process as a result of accusations of misconduct with a minor are not covered by the Retirement Trust but are paid directly by the Corporation Sole and the obligation is reflected in the Administrative Leave obligation.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
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The CT also offers other post-retirement benefits, including health, dental and subsistence benefits which are expected to be paid to or on behalf of currently retired clergy and active clergy after retirement.

The CT primary source of funding benefits is from special collections from parishes in the Archdiocese of Boston and benefit assessments to parishes and other Catholic organizations within the Archdiocese of Boston to which active priests are currently assigned. The collections are initially held in the Funding Trust. Funds are transferred from the Funding Trust to the Medical Trust, the Retirement Trust and the Regina Cleri Trust at the discretion of the Trustees.

Reserve for Health Insurance Claims

At June 30, 2025 and 2024, the audited financial statements of the CT reflected \$373 and \$432, respectively, of health and dental benefit obligations.

The reserve for health insurance claims consists of medical and dental claims payable for benefits provided to Eligible Priests. Obligations for health claims incurred by Eligible Priests but not reported are estimated by management based on historical experience.

Benefit Trust for Non-Incarnated Priests Duly Assigned for Service in the Archdiocese of Boston

The Corporation Sole sponsors a noncontributory pension benefit plan covering ordained priests who were not incardinated in the Archdiocese of Boston, but who had been duly assigned by the Roman Catholic Archbishop of Boston for service within the Archdiocese of Boston for a minimum period of at least 10 years and who are in good standing within the norms of Canon Law. Benefits are provided through The Benefit Trust for Non-Incarnated Priests Duly Assigned for Service in the Archdiocese of Boston (the "Non-Incarnated Trust"). The Non-Incarnated Trust is not subject to the provisions of the ERISA. Effective July 1, 2010, the accrual of benefits under the Non-Incarnated Trust were frozen.

The assets and obligations of the Corporation Sole's clergy retirement and other post-retirement benefits were as follows as of June 30:

Benefit Obligations

	For the Year Ended June 30, 2025							
	Pension Benefits		Other Benefits					
	CT	Admin Leave	CT	Admin Leave	Total			
Change in benefit obligation:								
Benefit obligation at beginning of year	\$ 60,302	\$ 505	\$ 28,023	\$ 141	\$ 88,971			
Service cost	703	-	641	-	1,344			
Interest cost	3,220	-	1,550	-	4,770			
Plan amendment	6,276	(407)	-	(114)	5,755			
Actuarial gains/(losses)	2,595	-	1,103	-	3,698			
Benefits and other expenses paid	(7,239)	(98)	(2,060)	(27)	(9,424)			
Benefit obligation at end of year	<u>\$ 65,857</u>	<u>\$ -</u>	<u>\$ 29,257</u>	<u>\$ -</u>	<u>\$ 95,114</u>			

* In addition to the above, the Non-Incarnated Benefit Obligation is \$550.

The plan amendment portion of the benefit obligation of \$6,276 relates to an updated Regina Cleri room rate change included for fiscal 2025. Regina Cleri is a residence for senior priests and a respite space for active and senior priests.

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**June 30, 2025 and 2024
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	For the Year Ended June 30, 2024							
	Pension Benefits				Other Benefits			
	CT	Admin Leave	CT	Admin Leave	Total			
Change in benefit obligation:								
Benefit obligation at beginning of year	\$ 63,462	\$ 890	\$ 28,981	\$ 248	\$ 93,581			
Service cost	883	-	646	-	1,479			
Interest cost	3,296	-	1,551	-	4,847			
Plan amendment	-	(231)	-	(67)	(298)			
Actuarial gains/(losses)	17	-	(1,126)	-	(1,109)			
Benefits and other expenses paid	<u>(7,306)</u>	<u>(155)</u>	<u>(2,028)</u>	<u>(40)</u>	<u>(9,530)</u>			
Benefit obligation at end of year	<u>\$ 60,302</u>	<u>\$ 505</u>	<u>\$ 28,023</u>	<u>\$ 141</u>	<u>\$ 88,970</u>			

* In addition to the above, the Non-Incarnated Benefit Obligation is \$558.

The weighted-average assumptions used to determine all benefit obligations were as follows at June 30:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Discount rate	5.56%	5.62%	5.78%	5.71%
Rate of compensation increase	N/A	N/A	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	6.50%	6.00%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.50%	4.50%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2033	2030

Plan Assets

	For the Year Ended June 30, 2025							
	Pension Benefits				Other Benefits			
	CT	Non-Incarnated Trust	Admin Leave	CT	Admin Leave	Total		
Change in plan assets								
Fair value of plan assets at beginning of year	\$ 74,220	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ 74,229	
Actual return on plan assets, net of administrative expense	1,789	-	-	-	-	-	1,789	
Employer contributions from parishes	5,445	-	-	-	-	-	5,445	
Employer contributions from other sources	5,670	40	98	2,060	27	7,895		
Benefits and other expenses paid	<u>(7,239)</u>	<u>(43)</u>	<u>(98)</u>	<u>(2,060)</u>	<u>(27)</u>	<u>(9,467)</u>		
Fair value of plan assets at end of year	<u>\$ 79,885</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,891</u>		

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**June 30, 2025 and 2024
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	For the Year Ended June 30, 2024					
	Pension Benefits			Other Benefits		
	Non-Incarcerated Trust		Admin Leave	CT		Admin Leave
	CT	Non-Incarcerated Trust	Admin Leave	CT	Admin Leave	Total
Change in plan assets						
Fair value of plan assets at beginning of year	\$ 71,664	\$ 12	\$ -	\$ -	\$ -	\$ 71,676
Actual return on plan assets, net of administrative expense	2,186	-	-	-	-	2,186
Employer contributions from parishes	5,393	-	-	-	-	5,393
Employer contributions from other sources	2,283	40	155	2,028	40	4,547
Benefits and other expenses paid	(7,306)	(43)	(155)	(2,028)	(40)	(9,573)
Fair value of plan assets at end of year	<u>\$ 74,220</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,229</u>

The asset allocation for the CT as of June 30, 2025 and 2024 and the target allocation for 2025, by asset category, are as follows:

	Target 2025	% of Plan Assets at Year End	
		2025	2024
Mutual funds	68.0%	69.0%	69.3%
Real estate	22.0%	19.8%	22.2%
Cash and cash equivalents	10.0%	11.2%	8.5%
Total	100.0%	100.0%	100.0%

The investment policy and strategy is to provide for long-term growth relative to the long-term liabilities while seeking to earn returns consistent with conservative management by investing assets based on the target allocations stated above. The CT will reallocate its investments periodically to meet the above target allocations. The CT also reviews its investments periodically to determine if the policy or allocations should be changed.

Included in the CT investments are the Collective Investment Partnership, the Fixed Income Fund and other investments with values of \$35,440, \$7,441 and \$12,219, respectively, at June 30, 2025. Other assets and liabilities included in plan assets that are not measured at fair value include cash and cash equivalents and real estate.

Included in the CT investments are the Collective Investment Partnership, the Fixed Income Fund and other investments with values of \$32,963, \$7,109 and \$11,338, respectively, at June 30, 2024. Other assets and liabilities included in plan assets that are not measured at fair value include cash and cash equivalents and real estate.

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NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

**June 30, 2025 and 2024
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Reconciliation of Funded Status

	As of June 30, 2025					
	Pension Benefits			Other Benefits		
	CT	Non-Incarnated Trust	Admin Leave	CT	Admin Leave	Total
Fair value of plan assets	\$ 79,885	\$ 6	\$ -	\$ -	\$ -	\$ 79,892
Benefit obligation	(65,857)	(550)	-	(29,631)	-	(96,038)
Funded (unfunded) status - obligation	<u>\$ 14,028</u>	<u>\$ (544)</u>	<u>\$ -</u>	<u>\$ (29,631)</u>	<u>\$ -</u>	<u>\$ (16,146)</u>

	As of June 30, 2024					
	Pension Benefits			Other Benefits		
	CT	Non-Incarnated Trust	Admin Leave	CT	Admin Leave	Total
Fair value of plan assets	\$ 74,220	\$ 9	\$ -	\$ -	\$ -	\$ 74,229
Benefit obligation	(60,302)	(558)	(505)	(28,455)	(141)	(89,960)
Funded (unfunded) status - obligation	<u>\$ 13,918</u>	<u>\$ (549)</u>	<u>\$ (505)</u>	<u>\$ (28,455)</u>	<u>\$ (141)</u>	<u>\$ (15,731)</u>

Components of Net Periodic Pension Cost

	For the Year Ended June 30, 2025					
	Pension Benefits		Other Benefits			
	CT		CT		Total	
Service cost for benefits earned during the period	\$ 703	\$ 640	\$ 1,343	\$ 1,343	\$ 1,343	\$ 1,343
Interest cost on projected benefit obligation	3,220	1,550	4,770	4,770	4,770	4,770
Expected return on plan assets	(4,489)	-	(4,489)	(4,489)	(4,489)	(4,489)
Net amortization and deferral	1,511	(1,183)	328	328	328	328
Net periodic pension cost	<u>\$ 945</u>	<u>\$ 1,008</u>	<u>\$ 1,952</u>	<u>\$ 1,952</u>	<u>\$ 1,952</u>	<u>\$ 1,952</u>

	For the Year Ended June 30, 2024					
	Pension Benefits		Other Benefits			
	CT		CT		Total	
Service cost for benefits earned during the period	\$ 833	\$ 646	\$ 1,479	1,479	1,479	1,479
Interest cost on projected benefit obligation	3,296	1,551	4,847	4,847	4,847	4,847
Expected return on plan assets	(4,457)	-	(4,457)	(4,457)	(4,457)	(4,457)
Net amortization and deferral	1,528	(1,233)	295	295	295	295
Net periodic pension cost	<u>\$ 1,200</u>	<u>\$ 964</u>	<u>\$ 2,164</u>	<u>\$ 2,164</u>	<u>\$ 2,164</u>	<u>\$ 2,164</u>

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Accumulated Amounts Charged (Credited) to Net Assets Without Restrictions

	As of June 30, 2025		
	Pension Benefits	Other Benefits	Total
	CT	CT	
Net actuarial loss (gain)	\$ 36,139	\$ (23,025)	\$ 13,114
Prior service charge	8,671	-	8,671
Total	\$ 44,810	\$ (23,025)	\$ 21,785

	As of June 30, 2024		
	Pension Benefits	Other Benefits	Total
	CT	CT	
Net actuarial loss (gain)	\$ 32,174	\$ (25,312)	\$ 6,863
Prior service charge	2,575	-	2,575
Total	\$ 34,749	\$ (25,312)	\$ 9,437

During the year ended June 30, 2025, \$180 of the prior year service credits were amortized and credited to non-operating income.

The weighted-average assumptions used to determine the Clergy Trust benefit plan costs were as follows:

	Pension Benefits		Other Benefits	
	2025	2024	2025	2024
Discount rate	5.62%	5.46%	5.71%	5.52%
Rate of compensation increase	N/A	N/A	N/A	N/A
Expected return on plan assets	N/A	N/A	N/A	N/A
Health care cost trend rate assumed for next year	N/A	N/A	6.00%	6.00%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	N/A	N/A	4.5%	4.5%
Year that the rate reaches the ultimate trend rate	N/A	N/A	2030	2030

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Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects on the CT:

	Other Benefits One Percentage Point Increase		Other Benefits One Percentage Point Decrease	
	2025	2024	2025	2024
Effect on benefit obligation	\$ 3,864	\$ 3,560	\$ 3,123	\$ 3,720

Expected Benefit Payments

<u>Year Ending June 30,</u>	<u>Clergy Funds Pension Benefits</u>	<u>Clergy Funds Other Benefits</u>	<u>Total</u>
2026	\$ 6,640	\$ 1,653	\$ 8,293
2027	6,442	1,713	8,155
2028	6,193	1,759	7,952
2029	5,923	1,797	7,720
2030	5,652	1,828	7,480
2031 - 2035	24,475	9,339	33,814

NOTE 14 - RELATED PARTY TRANSACTIONS

Revenue from Service Provided

The Corporation Sole provides administrative, accounting, technology and clerical services to related Catholic organizations. Fees charged for providing these services were \$5,039 and \$4,890 during the years ended June 30, 2025 and 2024, respectively. The revenue from these services is included in revenue from services provided in the accompanying combined statements of activities.

Boston Catholic Development Services

The Corporation Sole utilizes BCDS to provide all centralized fundraising services, including the annual Catholic Appeal, planned giving and other fundraising activities. Amounts paid for these services amounted to \$4,051 and \$3,495 for the years ended June 30, 2025 and 2024, respectively.

Catholic Schools Foundation

The Catholic Schools Foundation, Inc., a related organization, provides support to Catholic schools located within the Archdiocese of Boston. During the years ended June 30, 2025 and 2024, this foundation awarded \$6,114 and \$4,910, respectively, in inner city scholarships and support to schools that are operated by the Corporation Sole's parishes. The foundation also awarded grants totaling \$245 and \$1,382 for the years ended June 30, 2025 and 2024, respectively, to the Corporation Sole's Catholic Schools Office to further support school programs coordinated by that office.

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Fides Insurance Group, Inc.

The Corporation Sole recognized a non-operating gain of \$3,961 and \$1,289 for the years ended June 30, 2025 and 2024, respectively, related to its investment in Fides. The Corporation Sole also remitted property and liability insurance premiums totaling \$7,610 and \$6,810 for the years ended June 30, 2025 and 2024, respectively.

Discounted Rent

The Corporation Sole leases properties to several related Catholic high schools, academies and other organizations well below market rates. Management estimates the fair value of those rentals to be approximately \$9,137 and \$8,636 for the years ended June 30, 2025 and 2024, respectively.

Matignon High School

Matignon High School (“Matignon”), a Corporation Sole related entity, closed effective June 30, 2023. The Corporation Sole sold the majority of the Matignon property in October 2024 resulting in a gain on the sale of \$30,763.

NOTE 15 - SUBSEQUENT EVENTS

In connection with the preparation of these combined financial statements, the Corporation Sole has evaluated events and transactions through December 19, 2025, which is the date these combined financial statements were available for issuance.