

**ROMAN CATHOLIC ARCHDIOCESE OF BOSTON
401(K) RETIREMENT SAVINGS PLAN**

**FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Contents
December 31, 2024 and 2023

	<u>Pages</u>
Independent Auditor's Report	1 - 1A
Financial Statements:	
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements	4 - 9
Supplemental Schedule:	
Schedule of Assets Held at End of Year	10

Independent Auditor's Report

To the Plan Administrator and Retirement Committee of
Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan:

Opinion

We have audited the financial statements of Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits 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 Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan 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 Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan'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 Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan'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.

Supplemental Schedule

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held at End of Year as of December 31, 2024, 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 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 in the accompanying schedule is fairly stated in all material respects, in relation to the financial statements as a whole.

AAFCPA, Inc.

Westborough, Massachusetts
June 24, 2025

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Statements of Net Assets Available for Benefits
December 31, 2024 and 2023

Assets	2024	2023
Investments, at fair value	\$ 204,654,901	\$ 181,925,924
Notes receivable from participants	1,574,790	1,309,306
Net Assets Available for Benefits	\$ 206,229,691	\$ 183,235,230

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2024 and 2023

	2024	2023
Additions to Net Assets Attributed to:		
Investment income:		
Net appreciation of investments	\$ 12,504,821	\$ 16,698,770
Interest and dividend income	9,182,176	5,947,740
Total investment income	21,686,997	22,646,510
Interest income on notes receivable from participants	112,124	74,848
Contributions:		
Participant	13,613,285	12,575,981
Employer	5,705,866	5,264,000
Rollover	1,002,983	468,265
Total contributions	20,322,134	18,308,246
Total additions	42,121,255	41,029,604
Deductions from Net Assets Attributed to:		
Benefits paid to participants	18,707,105	11,131,561
Administrative expenses	419,689	331,174
Total deductions	19,126,794	11,462,735
Net increase	22,994,461	29,566,869
Net Assets Available for Benefits:		
Beginning of year	183,235,230	153,668,361
End of year	<u>\$ 206,229,691</u>	<u>\$ 183,235,230</u>

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

1. DESCRIPTION OF PLAN

The following description of the Roman Catholic Archdiocese of Boston 401(K) Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

a. General

The Plan is a non-Employee Retirement Income Security Act of 1974 (ERISA) defined contribution plan established to provide retirement benefits for eligible employees of parishes, schools, cemeteries or other locations that are part of the Roman Catholic Archdiocese of Boston (the Plan Sponsor), or any separately incorporated Catholic entity listed in the Catholic Directory that has signed a participation agreement with the Plan Sponsor. The Plan Administrator and Retirement Committee are responsible for oversight of the Plan.

b. Eligibility

Employees of the Plan Sponsor are eligible to participate in the Plan on the first day of employment. The Plan excludes employees who work less than 20 hours per week, members of a religious order, interns, fellows, student teachers, seminarians, students on a temporary work assignment as part of a cooperative education program, or member of a union (other than a union that has collectively bargained with the Plan Sponsor for eligibility to participate under this Plan).

Participants are eligible to receive Plan Sponsor matching contributions upon completing one year of service (defined as one continuous twelve-month period during which the employee worked 1,000 hours). Priests are eligible to receive Plan Sponsor matching contributions upon hire.

Effective August 1, 2024, employees, including priests, who work less than 20 hours per week are eligible to participate in the Plan but are not eligible to receive Plan Sponsor matching contributions.

c. Contributions

Participants may, upon being hired, contribute up to 100% of annual compensation, as defined in the Plan, up to the maximum allowed by the Internal Revenue Code (the Code). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified retirement plans (rollover contributions). The Plan includes an auto-enrollment provision whereby all newly eligible employees hired are automatically enrolled in the Plan unless they affirmatively elect otherwise. Re-hired employees and those changing to benefit-eligible are also subject to auto-enrollment. Automatically enrolled participants have their deferral rate set at 3% of pre-tax eligible compensation, and their contributions are invested in the default investment fund until changed by the participant. If the participant has already set up custom investment allocations, those allocations are applied to the automatic deferrals. Effective August 1, 2024, participants hired after August 19, 2024 are automatically enrolled at 4% of pre-tax compensation and participants who have a contribution percentage of less than 5% are increased 1% per year until they reach a 5% contribution rate.

The Plan Sponsor makes matching contributions equal to 100% of the first 3% of eligible compensation, plus 50% of the next 2% of eligible compensation deferred for eligible lay employees and priests.

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

1. DESCRIPTION OF PLAN (Continued)

d. Participant Accounts

Each participant's account is credited with the participant's contributions, Plan Sponsor contributions and an allocation of plan earnings. Participant accounts are directly charged with expenses relating to distribution and loan processing fees that are paid by Plan participants. Allocations are based on participant earnings or account balances, as defined in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

e. Vesting

Participants are immediately vested in all deferrals, rollover and Plan Sponsor matching contributions, including the earnings on these amounts, regardless of when these contributions were made.

f. Notes Receivable from Participants

The Plan allows for participants to borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or one-half of their vested account balance. Loan terms range from one to five years, except for loans to purchase a primary residence, which may be offered over a term up to fifteen years. The loans are secured by the balance in the participant's account and bear interest at a commercially reasonable rate, as determined by the Plan Administrator. Loan repayments of principal and interest are paid ratably through payroll deductions.

g. Payment of Benefits

Upon retirement, disability, death or termination of employment, participants shall receive either installment payments or a lump-sum amount equal to the value of their account. The Plan also provides for in-service withdrawals by qualified participants who have reached the age of 59 1/2. Distributions will be paid by lump sum or in installments over a number of years, based upon election of the participant or the Plan, as defined in the Plan or the Code. The Plan requires balances up to \$5,000 be paid out to participants upon termination. Effective January 1, 2024, the involuntary distribution amount was increased to \$7,000.

A participant may also request a withdrawal upon demonstration to the Plan Administrator that they are suffering a "hardship". Hardship is defined in applicable regulations promulgated or to be promulgated pursuant to the applicable section of the Code or standards established by the Secretary of the Treasury or their delegate.

h. Forfeitures

Forfeitures represent Plan Sponsor matching contributions forfeited by participants. Forfeitures are used to reduce Plan Sponsor matching contributions or pay administrative expenses of the Plan. As of December 31, 2024 and 2023, the forfeiture account totaled \$8,742 and \$8,596, respectively. The Plan utilized \$2,318 and \$3,589 of forfeitures to reduce Plan Sponsor matching contributions during 2024 and 2023, respectively.

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

1. DESCRIPTION OF PLAN (Continued)

i. Revenue Credit Account

Pursuant to service agreement between the Plan Sponsor and Voya, the custodian, service fees in excess of an amount defined in the agreement are credited to the Plan's revenue credit account. The revenue credit account is used to pay administrative expenses of the Plan. During the years ended December 31, 2024 and 2023, credits to the revenue credit account totaled \$1,544 and \$12,000, respectively. During the years ended December 31, 2024 and 2023, the Plan Sponsor paid administrative expenses totaling \$101,751 and \$56,172, respectively, from the revenue credit account. As of December 31, 2024 and 2023, the balance in the revenue credit account is \$5,245 and \$102,242, respectively, and is held in a money market fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Plan prepares its financial statements in accordance with generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan Sponsor determines the Plan's valuation policies utilizing information provided by the custodian. See Note 3 for disclosure of fair value measurement.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation of investments includes gains and losses on investments bought and sold, as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when incurred. No allowances for credit losses have been recorded as of December 31, 2024 and 2023. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be in default, the participant loan balance is reduced, and a benefit payment is recorded. As of December 31, 2024 and 2023, there were \$125,539 and \$36,438, respectively, of defaulted loans included in benefits paid to participants in the accompanying statements of changes in net assets available for benefits.

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions from plan participants and the matching contributions from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from compensation.

Benefits Paid to Participants

Benefits are recorded when paid.

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan Sponsor and are excluded from these financial statements. The Plan Sponsor charges each participating organization an administrative fee based on eligible employee compensation and uses these funds to pay the majority of the costs of administering the Plan. Administrative expenses include fees related to the administration of notes receivable that are charged directly to participant accounts. Investment-related expenses are netted with net appreciation of investments.

Subsequent Events

Subsequent events have been evaluated through June 24, 2025, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants as of the measurement date. *Fair Value Measurement* establishes a hierarchy of the valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The fair value hierarchy is as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

3. FAIR VALUE MEASUREMENT (Continued)

Following is a description of the valuation methodology used for assets measured at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended funds that 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 by the Plan are deemed to be actively traded.

There has been no change to the methodology used at December 31, 2024 and 2023.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Description	2024			Total
	Level 1	Level 2	Level 3	
Mutual funds, at fair value	<u>\$ 204,654,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,654,901</u>

Description	2023			Total
	Level 1	Level 2	Level 3	
Mutual funds, at fair value	<u>\$ 181,925,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,925,924</u>

4. TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service (IRS) dated June 20, 2016, stating that the Plan, with amendments made through April 15, 2015, meets the requirements of Section 401-1(b)(3) of the Code and is, therefore, exempt from Federal income taxes under IRS Section 501(a). The Plan has been amended since receiving the determination letter, and the Plan Sponsor believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Code, therefore, no provision for income taxes has been included in the Plan's financial statements. Additionally, the Plan is not subject to ERISA as a church plan and is not required to file a Form 5500.

U.S. GAAP requires plan management to evaluate tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by a government authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. PLAN TERMINATION

Although they have not expressed any intention to do so, the Plan Sponsor may completely or partially amend or terminate the Plan at any time. In the event of plan termination, all accrued benefits shall be paid to participants in accordance with the provisions of the Plan.

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Notes to Financial Statements
December 31, 2024 and 2023

6. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest include, among others, fiduciaries or employees of the Plan, any person who provides services to the Plan or an employer whose employees are covered by the Plan. Accordingly, transactions with investment funds managed and held by Voya, expenses paid to Voya out of Plan assets, and notes receivable from participants are considered party-in-interest transactions. There were \$421,233 and \$343,174 of administrative expenses paid to Voya by the Plan for the years ended December 31, 2024 and 2023, respectively, which are presented net of \$1,544 and \$12,000, respectively, of the revenue sharing credit in the accompanying statement of changes in net assets available for benefits.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that these changes could materially affect participant account balances, and the amounts reported in the accompanying statements of net assets available for benefits.

ROMAN CATHOLIC ARCHDIOCESE OF BOSTON 401(K) RETIREMENT SAVINGS PLAN

Schedule of Assets Held at End of Year
December 31, 2024

(a)	(b)	(c)	(d)	(e)
Party-In-Interest	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investments, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
	American Funds 2025 Target Retirement R6	Mutual Fund	**	\$ 32,103,260
	American Funds 2020 Target Retirement R6	Mutual Fund	**	24,283,264
	American Funds 2030 Target Retirement R6	Mutual Fund	**	24,179,574
	Vanguard Institutional Index	Mutual Fund	**	19,220,369
	American Funds 2035 Target Retirement R6	Mutual Fund	**	17,364,933
	American Funds 2050 Target Retirement R6	Mutual Fund	**	14,351,978
	American Funds 2040 Target Retirement R6	Mutual Fund	**	12,305,907
	American Funds 2045 Target Retirement R6	Mutual Fund	**	9,709,723
	American Funds 2015 Target Retirement R6	Mutual Fund	**	9,209,550
	American Funds 2010 Target Retirement R6	Mutual Fund	**	7,596,988
	Vanguard Treasury MoneyMkt Inv	Mutual Fund	**	4,121,173
	Metropolitan West Total Retirement Bond Plan	Mutual Fund	**	3,997,407
	Franklin Growth Fund	Mutual Fund	**	3,162,755
	American Funds 2055 Target Retirement R6	Mutual Fund	**	2,977,954
	American Funds 2060 Target Retirement R6	Mutual Fund	**	2,743,229
	MFS International Intrinsic Value	Mutual Fund	**	2,434,647
	Ave Maria Rising Dividend Fund	Mutual Fund	**	1,837,340
	Fidelity Small Cap Index	Mutual Fund	**	1,786,117
	American Century Mid Cap Value Fund Class R6	Mutual Fund	**	1,623,523
	Blackrock Inflation Protected	Mutual Fund	**	1,494,759
	DFA Emerging Markets	Mutual Fund	**	1,450,972
	Blackrock Global Allocation	Mutual Fund	**	1,283,559
	PGIM Jennison Mid Cap Growth	Mutual Fund	**	1,132,758
	American Funds 2065 Target Retirement R6	Mutual Fund	**	1,048,123
	American EuroPac Growth	Mutual Fund	**	938,054
	MFS Value Fund	Mutual Fund	**	910,494
	T. Rowe Price High Yield Bond Fund	Mutual Fund	**	907,478
	PIMCO Intl Bd	Mutual Fund	**	479,013
		Interest rates ranging from 4.25% to 9.50%, maturing through December 2029	-	1,574,790
				<u>\$ 206,229,691</u>
*	Notes receivable from participants			
*	Party-In-Interest			
**	The cost of participant-directed investments is not required to be disclosed.			