Financial Statements and Report of Independent Certified Public Accountants

Roman Catholic Archdiocese of Newark
Archdiocesan Pastoral Center

June 30, 2025 and 2024

Contents

	Page
Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of financial position	5
Statements of activities	6
Statements of cash flows	7
Notes to financial statements	8

GRANT THORNTON LLP
379 Thornall St., Suite 500
Edison, NJ 08837

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To His Eminence, Joseph W. Cardinal Tobin C.Ss.R, D.D
Archbishop of the Roman Catholic Archdiocese of Newark

Opinion

We have audited the financial statements of the Roman Catholic Archdiocese of Newark Archdiocesan Pastoral Center (the "Archdiocesan Pastoral Center"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for opinion

We conducted our audits of the 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 Archdiocesan Pastoral Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

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

Grant Thornton LLP is a U.S. member firm of Grant Thornton International Ltd (GTIL). GTIL and each of its member firms are separate legal entities and are not a worldwide partnership.

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 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 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 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 Archdiocesan Pastoral Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Archdiocesan Pastoral Center'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.

Grant Thornton LLP

Edison, New Jersey
June 26, 2026

Roman Catholic Archdiocese of Newark Archdiocesan Pastoral Center

STATEMENTS OF FINANCIAL POSITION

June 30,

	2025	2024
ASSETS		
Cash and cash equivalents, including custodial funds of $19,288,687 and $17,968,467 as of June 30, 2025 and 2024, respectively	$ 43,349,835	$ 32,370,269
Contributions and pledges receivable, net	845,646	874,930
Accounts and loans receivable, net	14,618,102	15,741,765
Prepaid expenses and other assets	1,732,806	1,866,122
Mortgages receivable	1,049,166	1,115,986
Investments, including custodial funds of $403,248,940 and $377,999,399 as of June 30, 2025 and 2024, respectively	733,212,677	658,516,197
Beneficial interest in a trust held by a third party	12,922,836	11,305,072
Property and equipment, net	22,698,658	23,056,264
Total assets	$ 830,429,726	$ 744,846,605
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 6,416,154	$ 6,156,703
Accrued amounts due to affiliates	4,575,627	4,140,982
Obligations due under split-interest agreements	327,099	284,364
Custodial funds	422,537,627	395,967,866
Pension benefit settlement payable	4,180,458	4,271,255
Conditional asset retirement obligations	2,980,737	2,812,016
Total liabilities	441,017,702	413,633,186
Commitments and contingencies		
Net assets		
Without donor restrictions	170,850,092	127,693,608
With donor restrictions	218,561,932	203,519,811
Total net assets	389,412,024	331,213,419
Total liabilities and net assets	$ 830,429,726	$ 744,846,605

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

Roman Catholic Archdiocese of Newark Archdiocesan Pastoral Center

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenues and support						
Archdiocesan assessments	$ 17,252,273	$ -	$ 17,252,273	$ 16,165,493	$ -	$ 16,165,493
Annual appeal	8,742,734	1,143,680	9,886,414	8,947,973	809,611	9,757,584
Cemeteries assessments	4,781,451	-	4,781,451	4,765,202	-	4,765,202
Other contributions, bequests, and collections	5,074,280	394,886	5,469,166	2,568,015	445,487	3,013,502
Interest and dividends, net of fees	3,476,259	5,739,147	9,215,406	2,061,461	5,308,953	7,370,414
Rental income assessments	6,865,768	-	6,865,768	5,299,351	-	5,299,351
Other revenue	4,779,733	-	4,779,733	5,683,678	-	5,683,678
Change in present value of charitable gift future annuities	-	(74,825)	(74,825)	-	18,264	18,264
	50,972,498	7,202,888	58,175,386	45,491,173	6,582,315	52,073,488
Net assets released from restrictions	8,691,037	(8,691,037)	-	5,831,290	(5,831,290)	-
Total operating revenues and support	59,663,535	(1,488,149)	58,175,386	51,322,463	751,025	52,073,488
Expenses						
Pastoral	16,238,772	-	16,238,772	14,796,313	-	14,796,313
Educational	4,329,231	-	4,329,231	4,748,049	-	4,748,049
Health care and social services	4,623,519	-	4,623,519	4,502,984	-	4,502,984
Priestly ministry and formation	4,499,953	-	4,499,953	4,171,617	-	4,171,617
Public affairs/information services	777,083	-	777,083	767,307	-	767,307
Other program services	4,547,165	-	4,547,165	4,880,122	-	4,880,122
Program expenses	35,015,723	-	35,015,723	33,866,392	-	33,866,392
Management and general	11,122,808	-	11,122,808	14,593,848	-	14,593,848
Fundraising	1,809,759	-	1,809,759	1,679,562	-	1,679,562
Total operating expenses	47,948,290	-	47,948,290	50,139,802	-	50,139,802
Nonoperating activities						
Change in actuarial value of pension benefit settlement payable	(309,203)	-	(309,203)	(299,726)	-	(299,726)
Net realized and unrealized gain on investments	31,010,046	15,493,277	46,503,323	20,933,976	11,712,365	32,646,341
Gain on sale	756,086	-	756,086	1,097,142	-	1,097,142
Other	(15,690)	-	(15,690)	-	-	-
Building donation - sales type lease	-	-	-	(17,260,888)	-	(17,260,888)
Change in value of beneficial interest in trust	-	1,035,368	1,035,368	-	1,027,121	1,027,121
Bad debt recovery on contributions receivable	-	1,625	1,625	-	1,145	1,145
Changes in net assets from nonoperating activities	31,441,239	16,530,270	47,971,509	4,470,504	12,740,631	17,211,135
CHANGES IN NET ASSETS	43,156,484	15,042,121	58,198,605	5,653,165	13,491,656	19,144,821
Net assets, beginning of year	127,693,608	203,519,811	331,213,419	122,040,443	190,028,155	312,068,598
Net assets, end of year	$ 170,850,092	$ 218,561,932	$ 389,412,024	$ 127,693,608	$ 203,519,811	$ 331,213,419

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

Roman Catholic Archdiocese of Newark Archdiocesan Pastoral Center

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 58,198,605	$ 19,144,821
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	1,701,551	1,590,816
Accretion of interest on conditional asset retirement obligations	168,721	159,171
Bad debt (recovery) expense on uncollectible accounts and loans receivable	(1,421,310)	3,817,744
Bad debt recovery on uncollectible contributions receivable	(1,625)	(1,145)
Beneficial interest in a trust held by a third party	(2,042,431)	(1,471,979)
Net realized and unrealized gain on investments	(46,503,323)	(32,646,341)
Gain on sale	(756,086)	(1,097,142)
Building donation - sales type lease	-	17,260,888
Contributions restricted for endowments	-	(213,250)
Change in actuarial value of pension benefit settlement payable	309,203	299,726
Changes in assets and liabilities:		
Accounts and loans receivable	2,796,056	(3,451,118)
Contributions and pledges receivable	30,909	307,931
Prepaid expenses and other assets	133,316	(77,072)
Beneficial interest in a trust held by a third party distributions	424,667	444,858
Accounts payable and accrued expenses	259,451	825,004
Accrued amounts due to affiliates	565,510	401,487
Obligations due under split-interest agreements	42,735	(17,553)
Payments under pension benefit settlement	(400,000)	(400,000)
Custodial funds	26,187,813	11,015,220
Net cash provided by operating activities	39,693,762	15,892,066
Cash flows from investing activities:		
Purchases of property and equipment	(1,375,201)	(691,848)
Proceeds from sale of property and equipment	787,342	-
Payments received on mortgages receivable	66,820	64,848
Proceeds from sales of investments	70,173,848	112,596,357
Purchases of investments	(98,367,005)	(126,280,040)
Net cash used in investing activities	(28,714,196)	(14,310,683)
Cash flows from financing activities:		
Contributions restricted for endowments	-	213,250
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,979,566	1,794,633
Cash and cash equivalents, beginning of year	32,370,269	30,575,636
Cash and cash equivalents, end of year	$ 43,349,835	$ 32,370,269

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

NOTE 1 - NATURE OF THE ENTITY

The accompanying financial statements include the accounts of the Archdiocesan Pastoral Center of the Roman Catholic Archdiocese of Newark (the "Archdiocesan Pastoral Center"), formerly referred to as the Roman Catholic Archdiocese of Newark Chancery Office. The Archdiocesan Pastoral Center provides planning and direction in the administration of pastoral, vocational, educational, and other services to the parish communities in Essex, Hudson, Union and Bergen counties in New Jersey. The Archdiocesan Pastoral Center also provides financing, investing and other advisory services to affiliated organizations, which share a common mission with the Archbishop of the Archdiocese of Newark (the "Archdiocese").

The Archdiocesan Pastoral Center enters into financial transactions with affiliates that include, but are not limited to Archdiocesan parishes, educational institutions, hospitals, cemeteries, insurance offices, and health and social service organizations. These entities may or may not be separately incorporated; however, each is distinct from the Archdiocesan Pastoral Center and maintains separate financial records, accordingly, these entities are not included in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Archdiocesan Pastoral Center to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following subcategories:

- *Designated Net Assets* - include amounts set aside for specific program service needs and used at the sole discretion of the Archbishop of Newark. However, the operating use of these resources is not externally restricted.

- *Undesignated Net Assets* - include all funds that are expendable, at the discretion of the Archdiocesan Pastoral Center, for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose(s).

As of June 30, 2025 and 2024, net assets without donor restrictions consist of the following:

	2025	2024
Amounts designated by the Board for:		
Schools and education	$ 30,390,684	$ 27,350,927
Cathedral Health Pension	2,700,000	3,700,000
Parish loan fund	11,000,000	11,000,000
Net investment in property and equipment	19,717,921	20,244,248
Undesignated	107,041,487	65,398,433
Total net assets without donor restrictions	$ 170,850,092	$ 127,693,608

The Parish Loan Fund represents operating resources designated for a lending program established primarily for the benefit of Archdiocesan parishes.

Net Assets With Donor Restrictions

The Archdiocesan Pastoral Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Some donor-imposed restrictions are temporary in nature, such as those that expire with the passage of time or can be fulfilled by the actions of the Archdiocesan Pastoral Center pursuant to those stipulations. Other donor-imposed restrictions are perpetual in nature, such as those funds wherein donors have stipulated that the principal contributed be invested and maintained in perpetuity. Income earned from these investments maintained in perpetuity is available for expenditure according to restrictions imposed by donors and consideration of the appropriation criteria by the Archdiocesan Pastoral Center pursuant to the New Jersey Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported on the statements of activities and changes in net assets as net assets released from restrictions.

As of June 30, 2025 and 2024 net assets with donor restrictions consist of the following:

	2025	2024
Purpose restricted:		
For support of:		
Specific programs	$ 3,581,226	$ 4,815,846
Campaign activities - Works of Mercy	2,815	2,815
Campaign activities - parish renewal	3,471,725	3,685,032
Subtotal	7,055,766	8,503,693
Endowments:		
Subject to endowment spending and appropriation:		
Accumulated unspent endowment earnings	108,325,383	92,525,644
Investment in perpetuity:		
For support of:		
Priestly ministry and formation	39,615,799	38,574,330
Catholic education	20,125,136	19,890,793
Social ministry	6,792,659	6,792,659
Cathedral Basilica	8,622,295	8,622,295
Youth ministries	2,280,535	2,280,535
Pastoral and other programs	11,800,021	12,386,824
Campaign activities - tuition assistance	7,808,830	7,808,102
Campaign activities - seminarian support	3,486,084	3,485,759
Campaign activities - retired priest care	2,649,424	2,649,177
Subtotal	103,180,783	102,490,474
Total net assets with donor restrictions	$ 218,561,932	$ 203,519,811

Net assets released from restrictions by incurring expenses satisfying specific purposes or with passage of time during the years ended June 30, are as follows:

	2025	2024
Endowment fund earnings	$ 5,008,017	$ 4,884,466
Other	3,683,020	946,824
Total releases	$ 8,691,037	$ 5,831,290

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash balances held in bank accounts and short-term investments held by the Archdiocesan Pastoral Center for operating use with original maturities of three months or less from the date of purchase, except for those cash equivalents which are included in the Archdiocesan Pastoral Center's investment portfolio which are held for long-term investment purposes.

Concentration of Market and Credit Risks

Cash, cash equivalents and investments are exposed to interest rate, market, and credit risks. The Archdiocesan Pastoral Center maintains its cash and cash equivalents in various bank deposit accounts that, at times, may exceed federally insured limits. To minimize risk, the Archdiocesan Pastoral Center's cash accounts are placed with high-credit quality financial institutions, and the Archdiocesan Pastoral Center's investment portfolio is diversified with several investment managers in a variety of asset classes. The Archdiocesan Pastoral Center regularly evaluates its depository arrangements and investments, including performance thereof.

As of June 30, 2025, approximately 97% of the Archdiocesan Pastoral Center's investments were held in the custody of Bank of New York Mellon. As of June 30, 2025, individual investment positions that exceeded 10% of the investment balance consisted of three funds that totaled approximately $394 million, or approximately 54% of the Archdiocesan Pastoral Center's investments.

Accounts and Loans Receivable

Accounts receivable relate primarily to amounts due from parish assessments as well as interest receivable from the Archdiocesan Pastoral Center's investment portfolio. Loans receivables consist of amounts loaned to parishes and other affiliated organizations that are in financial need or that require capital repairs or improvements. Interest income on loans receivables is accrued at rates ranging from 2% to 4.5%, on the respective unpaid principal balance during each of the years ended June 30, 2025 and 2024. Loans may not have specific repayment terms, but the Archdiocesan Pastoral Center expects repayment when the parish or other affiliated organization has financial resources available. The Archdiocesan Pastoral Center considers a loan to be impaired when, based on current information, it determines that it is probable that the Archdiocesan Pastoral Center will be unable to collect all amounts due in accordance with the terms of the original loan agreement. In this regard, impaired loans include loans where a significant delay in collection is expected and/or there is a shortfall in the amount of contractual payments paid to the Archdiocesan Pastoral Center.

Because of the uncertainty surrounding collection, management provides an allowance for credit losses based on the known financial condition of the respective parish or other affiliate organization, as well as historical collection experience. These allowances are maintained at a level management considers adequate to provide for potentially uncollectible accounts. These estimates are reviewed periodically and, if the financial condition of a parish or other affiliate organization changes significantly, the Archdiocesan Pastoral Center will evaluate the recoverability of any accounts or loans receivable from that organization

and write off any amounts that are no longer considered to be recoverable. Subsequent collections of receivables previously written off are recorded as income in the period received.

Investments

Investments in equity and debt securities with readily determinable fair values are recorded at fair value determined on the basis of quoted market values.

The Archdiocesan Pastoral Center's alternative investments in certain not-readily-marketable securities consist of hedge funds for which market values are not readily obtainable. The estimated value provided by these managers may differ from actual values had a ready market for these investments existed. The Archdiocesan Pastoral Center follows guidance on measuring the fair value of alternative investments, which offers investors a practical expedient for measuring the fair value of investments in certain entities that calculate net asset value ("NAV"). Under this practical expedient, entities are permitted to use NAV without adjustment for certain investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Additionally, the Archdiocesan Pastoral Center follows guidance that removes the requirement to categorize, within the fair value hierarchy, all investments for which the fair value is measured using NAV.

All investments are managed by outside investment advisors subject to the review, approval and control by the Investment Committee of the Finance Council, and the Archdiocesan Pastoral Center. Such valuations involve assumptions and methods that are also reviewed by the Investment Committee of the Finance Council, and the Archdiocesan Pastoral Center.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined based on the first-in first-out method and are recorded in the statements of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Fair Value Measurements

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

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

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

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

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

Split-Interest Agreements

Assets held under charitable gift annuities and life income funds with the Archdiocesan Pastoral Center acting as trustee are included in investments. A portion of the contributed assets is considered to be a charitable contribution at the date of gift. When the terms of the gift annuity have been met, the remaining amount of the gift may be used for general or specific purposes as stipulated by the respective donor.

Under the Archdiocesan Pastoral Center's charitable gift annuities program where the Archdiocesan Pastoral Center is the trustee, liabilities are recorded for the present value of the estimated future payments expected to be made to the donors and/or other stipulated life beneficiaries. Under the life income funds, the related obligation is recorded representing the amount of the discount for future interests.

Upon termination of a life interest, the share of the corpus attributable to the life tenant becomes available to the Archdiocesan Pastoral Center. Changes in the life expectancy of the donor or beneficiary(ies), amortization of the discount, and other changes in the estimates of future payments are recognized annually by the Archdiocesan Pastoral Center based on actuarially determined valuations. The discount rates used to value split-interest agreements range from 7.2% to 1.4% at June 30, 2025 and 2024.

The Archdiocesan Pastoral Center has established an annuity fund and pooled life income fund which are invested in fixed income securities, mutual funds, and money market funds. The assets of the annuity and pooled life income funds at June 30, 2025 and 2024 totaled $463,278 and $518,747, respectively. Obligations due under split-interest agreements totaled $327,099 and $284,364 as of June 30, 2025 and 2024, respectively.

Beneficial Interest in a Trust Held by a Third Party

The Archdiocesan Pastoral Center has been named as a beneficiary of perpetual trusts held by a third party. Perpetual trusts are initially recorded as permanently restricted support at fair value, based on the Archdiocesan Pastoral Center's beneficial interest in the fair value of the underlying trust assets at the time of gift. Subsequent changes in the trust's fair value are reported within net realized and unrealized gain (loss) with donor restrictions on the statements of activities. The trust asset is classified as Level 3 within the fair value hierarchy. The distributed income from these assets are used for specific purposes.

The valuation of beneficial interests in perpetual trusts is based on the fair value of the underlying trust assets, subject to Archdiocesan Pastoral Center's share of the trust as stated in the gift agreement, and is considered to be based on unobservable inputs. There are no quantitative measurements (i.e., discount rates, market return rates, etc.) used to adjust the fair value of the beneficial interests in perpetual trusts.

The table below sets forth a summary of changes in fair value of the Archdiocesan Pastoral Center's Level 3 beneficial interest in trust held by others for the years ended June 30:

	2025	2024
Balance, beginning of year	$ 11,305,072	$ 10,277,951
Additions	541,950	-
Change in fair value of beneficial interest in trust – operating	40,446	-
Change in fair value of beneficial interest in trust – non-operating	1,035,368	1,027,121
Balance, end of year	$ 12,922,836	$ 11,305,072

The Archdiocesan Pastoral Center received distributions totaling to $424,667 and $444,858 for the years ended June 30, 2025 and 2024, respectively. These amounts are included in Interest and Dividends, net of fees with donor restrictions on the statements of activities.

As of June 30, 2025 and 2024, the beneficial interest in a trust held by a third party consist of the following:

	2025	2024
Formation of seminarians	$ 9,854,462	$ 9,025,500
Scholarship for grade school students	3,068,374	2,279,572
Beneficial interest in a trust held by a third party	$ 12,922,836	$ 11,305,072

Property and Equipment

Property and equipment are stated at cost, if purchased, or at fair value as determined on the date of the gift if donated. Additions and improvements costing more than $10,000 and with useful lives greater than three years are capitalized. Maintenance and repairs are expensed as incurred. Depreciation expense is calculated using the straight-line method over the following useful lives:

	Years
Buildings and building and land improvements	15 - 35
Machinery, equipment, and vehicles	3 - 15
Furniture and fixtures	10
Computers	3 - 7

Leasehold improvements are depreciated over the shorter of the respective lease agreement to which they pertain or the economic life of the related betterment.

Custodial Funds

Amounts received and held by the Archdiocesan Pastoral Center as a fiscal agent for others are recorded as custodial liabilities. Included in these funds are: (a) proceeds of special collections made by parishes and transferred to the Archdiocesan Pastoral Center for forwarding to the proper recipient; (b) deposits from

affiliated entities to the Investment Management Program and Cash Management Program administered by the Archdiocesan Pastoral Center, and (c) other amounts held in safekeeping for affiliated entities.

Conditional Asset Retirement Obligations

Asset retirement obligations include, but are not limited to, certain types of environmental issues that are legally required for remediation upon an asset's retirement as well as contractually required asset retirement obligations. Conditional asset retirement obligations ("CARO") are legal obligations associated with the eventual retirement of tangible long-lived assets in which the timing and/or method of settlement is conditioned on a future event that may or may not be within the control of the entity. An entity is required to recognize a liability for the fair value of a CARO if the fair value of the liability can be reasonably estimated, even if conditioned on a future event. The Archdiocesan Pastoral Center has CAROs primarily associated with the eventual remediation and abatement of asbestos located within the construct of certain of its buildings. As of June 30, 2025 and 2024, the CARO totaled $2,980,737 and $2,812,016, respectively. For the years ended June 30, 2025 and 2024, the accretion of interest related to the CAROs totaled $168,721 and $159,171, respectively.

Contributions

The Archdiocesan Pastoral Center recognizes revenues from contributions in accordance with guidance requiring the Archdiocesan Pastoral Center to evaluate whether (1) transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional.

Contributions and promises to give are recognized as revenue when an unconditional promise to give is received from a donor. Conditional contributions, if any are recorded as revenue when the conditions on which they depend have been substantially met. Contributions to be received after one year are recorded at the present value of their estimated future cash flows using an appropriate discount rate assigned in the year the respective pledge originates. Amortization of discount is recorded as additional contribution revenue in accordance with donor- imposed restrictions, if any.

Contributions are reported as increase in net assets without donor restrictions unless use of the related assets are limited by donor-imposed restrictions. Contributions that are restricted by donors for use as endowments are invested in perpetuity. The income is used for operating purposes when expenditures satisfy the donors' restrictions, and such amounts are appropriated for expenditure. Income amounts that exceed related expenditures during a fiscal period remain as net assets with donor restrictions.

An allowance for uncollectible contributions receivable is provided in the net asset class in which the contribution receivable resides based on an assessment of the creditworthiness of the respective donor. Contributions are written off when determined to be uncollectible.

Intentions to give under various wills and trust agreements are recorded as bequests receivable when the contributions are irrevocable, unconditional and measurable. If a gift does not meet these criteria, it is not recognized as contribution revenue until the will is declared valid through probate and subject to final distribution. At that time, the Archdiocesan Pastoral Center recognizes the contribution at fair value.

Assessments

Annually, Archdiocesan and Cemetery assessments are determined based on certain revenues of the entity. The assessments help to support the Archdiocesan Pastoral Center ministries and necessary administrative services that directly benefit Archdiocesan parishes. Assessments are recognized as revenue when billed, which corresponds to the period to which they pertain.

Annual Appeal Contributions

During the first quarter of each calendar year, a direct appeal is made to the people of the Archdiocese for operating support. Contributions received are recorded when received, based on donor-imposed stipulations, if any.

Rental Income Assessments and Other Revenue

The Archdiocesan Pastoral Center also recognizes revenue from rental income assessments calculated based on a percentage of rental income received by parishes. The assessments help to support the Archdiocesan Pastoral Center ministries and necessary administrative services that directly benefit the Archdiocese parishes and schools. Assessments are recognized as revenue when billed, which corresponds to the period to which they pertain.

Other revenues, which are primarily comprised of program fees for camps and various services provided to affiliates are recorded as income when earned or realized as the respective performance obligations are satisfied.

Expense Allocations

Included in operating expenses are the costs of health care and social services, pastoral, priestly ministry and formation, educational, public affairs/information services and other program services provided directly by the Archdiocesan Pastoral Center and subsidies given to Archdiocesan affiliates providing such services. These costs can generally be identified with the program service to which they relate and are charged accordingly. Other expenses by function, have been allocated amongst the programs and supporting services benefited on the basis of square footage of office space occupied, salaries, and other bases as determined by management of the Archdiocesan Pastoral Center to be appropriate.

Operating Measure

The Archdiocesan Pastoral Center classifies its statements of activities and changes in net assets into operating and nonoperating activities. Operating activities principally include all income and expenses related to carrying out the Archdiocesan Pastoral Center's mission, including interest and dividend and rental income. Nonoperating activities include realized and unrealized gains (losses) on investments, gain or loss on disposition of assets and other activities considered to be of a more unusual or nonrecurring nature, if any.

Tax Status and Income Taxes

In an annually updated ruling, the Internal Revenue Service has held that agencies, instrumentalities and educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in "The Official Catholic Directory" are exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code ("Code"). The Archdiocese of Newark is listed in "The Official Catholic Directory" and, therefore, is exempt from income tax. Accordingly, the accompanying financial statements reflect no provision for income taxes.

The Archdiocesan Pastoral Center follows guidance that established criterion that an individual tax position must meet for some or all of the benefits of that position to be recognized in an entity's financial statements. This standard requires the Archdiocesan Pastoral Center to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Archdiocesan Pastoral Center has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, determine its filing and tax obligations in jurisdictions for which it has

nexus, and to review other matters that may be considered tax positions. As of June 30, 2025 and 2024, management has determined that the Archdiocesan Pastoral Center has no material uncertain tax positions that would require recognition or disclosure in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant management judgments and estimates used in the preparation of the accompanying financial statements relate to the determination of depreciation expense, obligations under split-interest agreements, the reported fair value of certain financial instruments, and the collectability of accounts, loans and contributions and pledges receivable. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The estimated fair values of the Archdiocesan Pastoral Center's financial instruments have been determined by the Archdiocesan Pastoral Center using appropriate market information and valuation methodologies. Considerable judgment is required to develop the estimates of fair value; thus, the estimates provided herein are not necessarily indicative of the amounts that could be realized in a current market exchange.

The carrying value of cash, cash equivalents, accounts and loans receivable, accounts payable and accrued expenses, custodial funds and other liabilities is a reasonable estimate of their fair value due to their short-term nature. The carrying amounts of the Archdiocesan Pastoral Center's investments approximate fair value. The carrying value of contributions receivable is estimated based on the present value of expected future cash flows, and thus approximates fair value.

Leases

The Archdiocesan Pastoral Center determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Archdiocesan Pastoral Center controls the use of the identified asset throughout the period of use. The Archdiocesan Pastoral Center classifies leases as either financing or operating. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Archdiocesan Pastoral Center's right to use an underlying asset for the lease term and lease liabilities represent the Archdiocesan Pastoral Center's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted based on the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern.

The Archdiocesan Pastoral Center elected certain practical expedients permitted under the standard which eliminate the need to separately assess lease and non-lease components, and recognize ROU lease assets or lease liabilities for leases with terms of less than 12 months. In addition, the Archdiocesan Pastoral Center utilized the portfolio approach to group leases with similar characteristics. The Archdiocesan Pastoral Center established a capitalization threshold of $10,000 for recognizing lease liabilities and ROU assets.

Reclassifications

Certain prior-period amounts have been reclassified to conform to the current-year presentation. The reclassifications had no effect on the previously reported change in net assets or total net assets.

Subsequent Events

The Archdiocesan Pastoral Center evaluated its June 30, 2025 financial statements for subsequent events through June 26, 2026, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 3 - ACCOUNTS AND LOANS RECEIVABLE, NET

As of June 30, 2025 and 2024, accounts and loans receivable, net consist of the following:

	2025	2024
Parishes and schools	$ 25,884,551	$ 29,142,055
Interest and dividends	1,642,384	1,284,988
Other notes and loans	1,176,487	1,238,120
Total accounts and loans receivable	28,703,422	31,665,163
Allowance for doubtful accounts	(14,085,320)	(15,923,398)
Accounts and loans receivable, net	$ 14,618,102	$ 15,741,765

A significant portion of the accounts receivable balance has accumulated over several years and relates to financial transactions with affiliates. Such transactions include assessment billings as well as loans to fund the respective affiliate's operations in furtherance of pastoral, vocational, educational, and other services to parish communities. Amounts due from accounts receivables are due within one year.

NOTE 4 - INVESTMENTS

As of June 30, 2025 and 2024, investments (including investments held pursuant to split-interest agreements) consist of the following:

	2025	2024
Cash and cash equivalents	$ 46,075,082	$ 33,358,487
Fixed income	22,032,353	19,290,542
Equities	199,060,995	181,313,320
Common trust funds	72,102,836	57,868,134
Commingled funds	393,941,411	366,127,538
Subtotal	733,212,677	657,958,021
Trades not yet settled - due from (to) custodian	-	558,176
Investments	$ 733,212,677	$ 658,516,197

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

The following table prioritizes the inputs used by the Archdiocesan Pastoral Center to report the fair value of its investments, excluding commingled funds and common trust funds, in the fair value hierarchy at June 30, 2025 and 2024:

	2025				
	Level 1	Level 2	Level 3	NAV	Total
Cash and cash equivalents	$ 46,075,082	$ -	$ -	$ -	$ 46,075,082
Fixed income	22,032,353	-	-	-	22,032,353
Equities	199,060,995	-	-	-	199,060,995
	267,168,430	-	-	-	267,168,430
Investments valued at NAV:					
Common trust funds*	-	-	-	72,102,836	72,102,836
Commingled funds*	-	-	-	393,941,411	393,941,411
Total investments**	$ 267,168,430	$ -	$ -	$ 466,044,247	$ 733,212,677
Perpetual trust	$ -	$ -	$ 12,922,836	$ -	$ 12,922,836

	2024				
	Level 1	Level 2	Level 3	NAV	Total
Cash and cash equivalents	$ 33,358,487	$ -	$ -	$ -	$ 33,358,487
Fixed income	19,290,542	-	-	-	19,290,542
Equities	181,313,320	-	-	-	181,313,320
	233,962,349	-	-	-	233,962,349
Investments valued at NAV:					
Common trust funds*	-	-	-	57,868,134	57,868,134
Commingled funds*	-	-	-	366,127,538	366,127,538
Total investments**	$ 233,962,349	$ -	$ -	$ 423,995,672	$ 657,958,021
Perpetual trust	$ -	$ -	$ 11,305,072	$ -	$ 11,305,072

* In accordance with Accounting Standards Codification Subtopic 820-10, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

** Excludes trades not yet settled, due from custodian as of June 30, 2025 and 2024.

The classification of investments, excluding commingled funds, within the fair value hierarchy, as presented above, is not intended to correspond to the level of perceived risk associated with such financial instruments. The Archdiocesan Pastoral Center's policy is to recognize transfers in and transfers out of levels at the end of each respective reporting period. There were no transfers as of June 30, 2025 and 2024. The change in value of Level 3 assets is due to unrealized gain of $1,075,814 and $1,027,121 during the years ended June 30, 2025 and 2024, respectively.

The Archdiocesan Pastoral Center uses NAV to determine and report the fair value of all the underlying investments which: (a) do not have a readily determinable fair value; and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. The following tables list such investments by major category:

2025

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	Seeks to track and/or outperform the Barclays Capital US Aggregate Bond Index	$ 393,941,411	3	To be determined by the investment fund managers.	N/A	All funds have daily redemption with no advance notice.	N/A
Common trust funds	Seeks to track the performance of the Russell 1000 Growth Index	72,102,836	1	To be determined by the investment fund managers.	N/A	All funds have daily redemption with no advance notice.	N/A

2024

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Redemption Terms	Redemption Restrictions
Commingled funds	Seeks to track and/or outperform the Barclays Capital US Aggregate Bond Index	$ 366,127,538	3	To be determined by the investment fund managers.	N/A	All funds have daily redemption with no advance notice.	N/A
Common trust funds	Seeks to track the performance of the Russell 1000 Growth Index	57,868,134	1	To be determined by the investment fund managers.	N/A	All funds have daily redemption with no advance notice.	N/A

NOTE 5 - ENDOWMENT

The Archdiocesan Pastoral Center's donor-restricted (gifted) endowment consists of approximately 30 individual funds established for a variety of purposes, principally in support of priestly ministry and formation, Catholic education, and pastoral and other programs. It excludes the pooled life income fund. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Archdiocesan Pastoral Center has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the respective donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Archdiocesan Pastoral Center classifies as permanently restricted net assets: (a) the original value of gifts donated to its permanent endowment; (b) the original value of subsequent gifts to its permanent endowment; and (c) accumulations of income to its permanent endowment made in accordance with the direction of the applicable donor gift instrument. Therefore, permanently restricted-endowment net assets represent the original corpus of gifts given to the Archdiocesan Pastoral Center for which the gift instruments stipulate that the principal be invested in perpetuity and only earnings therefrom be used for donor intended purposes, if any.

Under UPMIFA, net appreciation and interest and dividends earned on the corpus of permanently restricted-endowment net assets is spendable and accordingly, the Archdiocesan Pastoral Center classifies such

return as temporarily restricted net assets within net assets with donor restrictions, pending appropriation for expenditure by the Archbishop of Newark.

The Archdiocesan Pastoral Center's endowment totals $198,665,508 and $182,867,831 at June 30, 2025 and 2024, respectively, and consists of the following net assets:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor -restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 90,340,125	$ 90,340,125
Accumulated unspent investment gains	-	108,325,383	108,325,383
Endowment net assets, end of year	$ -	$ 198,665,508	$ 198,665,508

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor -restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 90,342,187	$ 90,342,187
Accumulated unspent investment gains	-	92,525,644	92,525,644
Endowment net assets, end of year	$ -	$ 182,867,831	$ 182,867,831

Excluded from net assets with donor restrictions in the tables above at June 30, 2025 and 2024 are $198,724 and $193,021 of pooled life income funds, respectively, and $284,090 and $282,790 of pledges receivable, net, respectively.

The Archdiocesan Pastoral Center's individual endowment funds are pooled for investment purposes. The investment portfolio is managed to achieve a prudent long-term total return. The Archdiocesan Pastoral Center relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Archdiocesan Pastoral Center targets a diversified asset allocation that places an equal emphasis on equity-based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

The following tables summarize the Archdiocesan Pastoral Center's total return (loss) on endowment investments and the changes in endowment net assets for the years ended June 30, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 182,867,831	$ 182,867,831
Dividends and interest on endowment investments	-	5,314,480	5,314,480
Net realized and unrealized depreciation in fair value of endowment investments	-	15,493,277	15,493,277
Other changes		(2,063)	(2,063)
Endowment return used for operations	-	(5,008,017)	(5,008,017)
Endowment net assets, end of year	$ -	$ 198,665,508	$ 198,665,508

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 170,962,587	$ 170,962,587
Dividends and interest on endowment investments	-	4,864,095	4,864,095
Net realized and unrealized depreciation in fair value of endowment investments	-	11,712,365	11,712,365
New gifts	-	213,250	213,250
Endowment return used for operations	-	(4,884,466)	(4,884,466)
Endowment net assets, end of year	$ -	$ 182,867,831	$ 182,867,831

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the Archdiocesan Pastoral Center to retain as a fund of perpetual duration. Deficiencies of this nature generally result from unfavorable market fluctuations or prudent board appropriations that reduce the fair value of individual endowment funds below their respective historical dollar value. As of June 30, 2025 and 2024, there were no endowment funds below the level required to be maintained by law or donor restriction.

NOTE 6 - CONTRIBUTIONS AND PLEDGES RECEIVABLE, NET

Contributions and pledges receivable, net, consist of unconditional promises to give cash, which are reported as net assets with donor restrictions based on donor-imposed stipulations.

Contributions and pledges receivable is expected to be received as follows:

	2025	2024
Less than one year	$ 4,494,800	$ 4,425,709
One to five years	300,000	400,000
	4,794,800	4,825,709
Allowance for uncollectible contributions and pledges	(3,949,154)	(3,950,779)
Net contributions and pledges receivable	$ 845,646	$ 874,930

NOTE 7 - PROPERTY AND EQUIPMENT, NET

The principal properties owned by the Archdiocese and included on the accompanying financial statements of the Archdiocesan Pastoral Center are the Cathedral Basilica of the Sacred Heart, the Redemptoris Mater House of Formation, and the Archdiocesan Center. Property is stated at cost, or if donated, at estimated fair value determined at the date of gift, less accumulated depreciation.

As of June 30, 2025 and 2024, Property and equipment, net, consists of the following:

	2025	2024
Buildings and building and land improvements	$ 59,959,044	$ 58,726,213
Machinery, equipment, vehicles, furniture and computers	6,844,001	6,798,614
Leasehold improvements	3,951,726	3,951,725
	70,754,771	69,476,552
Less: accumulated depreciation	(55,657,981)	(54,022,156)
	15,096,790	15,454,396
Land	7,601,868	7,601,868
Property and equipment, net	$ 22,698,658	$ 23,056,264

Depreciation expense of $1,701,550 and $1,590,816 for the years ended June 30, 2025 and 2024, respectively, was provided for on a straight-line basis.

During 2023, the Archdiocesan Pastoral Center received a newly constructed homeless shelter in exchange for the sale of property and land to a developer. Construction of the shelter was completed during the fiscal year ended June 30, 2024, at a total cost of $17,260,888. In September 2023, the Archdiocesan Pastoral Center entered into a 99-year lease agreement with a related party for use of the facility as a homeless shelter. The arrangement was classified as a sales-type lease and executed for nominal consideration of $99, which was significantly below the carrying value of the underlying asset. As a result, for the year ended June 30, 2024, the Archdiocesan Pastoral Center recorded a building donation, sales-type lease expense of $17,260,888 as a non-operating activity in the statements of activities, primarily related to the derecognition of the leased asset’s carrying value.

NOTE 8 - PENSION AND POSTRETIREMENT BENEFIT PLANS

Lay and Priest Pension Plans

The Archdiocesan Pastoral Center participates in a noncontributory defined benefit pension plan covering substantially all full-time lay employees. To become eligible for the lay pension plan, employees must have at least three years of service. The lay pension plan provides for 100% vesting after five years of full-time service. Benefits are based on the final five-year average earnings prior to retirement. Contribution rates applied to earnings are determined annually using the aggregate-cost method and a 6.75% return on investments compounded annually.

The Archdiocesan Pastoral Center also participates in a noncontributory Priests' Retirement Program covering priests assigned to the Archdiocesan Pastoral Center. At retirement, benefits are based on a flat dollar amount. Annual contribution rates are actuarially determined using the aggregate cost method, assuming no decrements other than death and retirement and a 6.75% return on investments compounded annually.

Due to the nature of these plans, it is not practicable to determine the extent to which the assets of the plans cover the actuarially computed value of vested benefits for the Archdiocesan Pastoral Center on a standalone basis. In addition, because the plans are considered multiple employer plans for accounting purposes, they are only subject to certain minimum reporting requirements. Pension expense allocated to the Archdiocesan Pastoral Center for both plans for the years ended June 30, 2025 and 2024 amounted to approximately $1,388,000 and $1,366,000, respectively.

The plans are considered church plans and are therefore exempt from the provisions of the Employee Retirement Income Security Act of 1974, as amended.

NOTE 9 - SCHEDULE OF FUNCTIONAL EXPENSES

The following is a schedule of functional expenses for the year ended June 30, 2025:

	Program Expenses									
	Pastoral	Educational	Health Care and Social Services	Priestly Ministry and Formation	Public Affairs/ Information Services	Other Program Services	Total	Management and General	Fundraising	2025 Total
Salaries, benefits and related expenses	$ 7,278,973	$ 2,659,560	$ 1,160,488	$ 1,886,140	$ 584,737	$ 1,328,508	$14,898,406	$ 6,023,667	$ 580,584	$21,502,657
Parish, school and other subsidies	901,713	945,028	2,225,156	489,030	-	-	4,560,927	-	-	4,560,927
Professional fees	1,500,828	275,339	26,185	237,401	116,645	249,184	2,405,582	3,486,229	444,118	6,335,929
Conferences, transportation and meals	1,367,033	83,709	18,854	208,435	2,663	355,130	2,035,824	148,880	3,479	2,188,183
Contributions, donations and grants	128,412	259,109	1,164,946	6,622	56	596,935	2,156,080	1,017,682	3,161	3,176,923
Repairs and maintenance	696,428	-	4,293	30,931	-	656,126	1,387,778	6,438	-	1,394,216
Utilities	537,424	5,760	14,559	26,637	4,471	378,457	967,308	58,255	2,460	1,028,023
Tuition and fees	231	-	-	1,389,274	-	67	1,389,572	-	-	1,389,572
Printing, postage and shipping	82,501	19,880	1,233	18,824	261	11,879	134,578	349,679	597,467	1,081,724
Office furniture, fixtures and equipment (non-cap)	47,123	5,490	145	3,309	488	13,604	70,159	725,534	68,793	864,486
Security	7,306	-	-	-	-	353,901	361,207	187,577	-	548,784
Insurance, taxes, assessments and fees	1,348,631	133	5,353	6,413	250	367,331	1,728,111	40,598	-	1,768,709
Office and liturgical services	113,442	5,379	1,363	16,481	1,355	7,936	145,956	38,074	701	184,731
Depreciation and amortization	1,163,764	55,175	-	124,971	27,818	54,181	1,425,909	259,085	16,557	1,701,551
Bad debt recovery	-	-	-	-	-	-	-	(1,421,310)	-	(1,421,310)
Others	1,064,963	14,669	944	55,485	38,339	173,926	1,348,326	202,420	92,439	1,643,185
	$16,238,772	$ 4,329,231	$ 4,623,519	$ 4,499,953	$ 777,083	$ 4,547,165	$35,015,723	$11,122,808	$ 1,809,759	$47,948,290

The following is a schedule of functional expenses for the year ended June 30, 2024:

	Program Expenses									
	Pastoral	Educational	Health Care and Social Services	Priestly Ministry and Formation	Public Affairs/ Information Services	Other Program Services	Total	Management and General	Fundraising	2024 Total
Salaries, benefits and related expenses	$ 7,405,065	$ 2,525,505	$ 1,152,821	$ 1,650,484	$ 559,363	$ 1,272,661	$14,565,899	$ 5,557,953	$ 488,413	$20,612,265
Parish, school and other subsidies	1,334,072	1,154,400	2,225,156	701,999	-	-	5,415,627	-	-	5,415,627
Professional fees	125,948	536,120	30,998	199,081	142,975	251,472	1,286,594	3,099,312	414,097	4,800,003
Conferences, transportation and meals	1,156,451	60,233	14,485	189,752	703	348,046	1,769,670	99,450	1,516	1,870,636
Contributions, donations and grants	71,623	359,305	1,054,728	9,646	86	759,227	2,254,615	729,532	5,464	2,989,611
Repairs and maintenance	849,057	305	558	29,504	-	652,423	1,531,847	11,532	-	1,543,379
Utilities	430,397	7,068	16,055	26,212	4,059	363,512	847,303	18,416	3,340	869,059
Tuition and fees	295	-	-	1,165,813	-	258	1,166,366	-	-	1,166,366
Printing, postage and shipping	72,843	20,755	1,367	15,294	268	17,239	127,766	302,465	579,756	1,009,987
Office furniture, fixtures and equipment (non-cap)	92,394	7,067	-	3,755	1,720	9,217	114,153	473,970	80,112	668,235
Security	7,801	-	-	-	-	388,157	395,958	175,638	-	571,596
Insurance, taxes, assessments and fees	1,056,583	3,563	4,283	3,563	250	608,358	1,676,600	-	-	1,676,000
Office and liturgical services	93,176	7,703	1,319	16,981	1,259	9,877	130,315	58,365	1,136	189,816
Depreciation and amortization	1,132,114	48,135	-	120,077	23,978	56,426	1,380,730	195,449	14,637	1,590,816
Bad debt expense	-	-	-	-	-	-	-	3,817,744	-	3,817,744
Others	968,494	17,890	1,214	39,456	32,646	143,249	1,202,949	54,022	91,091	1,348,062
	$14,796,313	$ 4,748,049	$ 4,502,984	$ 4,171,617	$ 767,307	$ 4,880,122	$33,866,392	$14,593,848	$ 1,679,562	$50,139,802

NOTE 10 - MORTGAGES RECEIVABLE

In October 2015, the Archdiocesan Pastoral Center extended a 30-year mortgage to Bisrate Gebriel Ethiopian Orthodox Tewahedo Church for the purchase of property located in Newark, New Jersey. The note is payable monthly for $2,187 until June 2045. As of June 30, 2025 and 2024, the receivable balance is $554,550 and $580,782, respectively.

In January 2019, the Archdiocese of Newark executed an agreement of sale with Sower Pentecostal Church for the purchase of property located in Newark, New Jersey. A mortgage note was extended in July 2019 for a term of 15 years. The note bears a fixed rate of 5% and requires monthly payments of $5,535 commencing August 2019, with any unpaid principal and interest due on July 24, 2034. As of June 30, 2025 and 2024, the receivable balance is $494,616 and $535,204, respectively.

At June 30, 2025, payments due under mortgages receivable are as follows:

2026	$ 68,903
2027	71,086
2028	73,380
2029	75,792
2030	78,328
Thereafter	681,677
Total	$ 1,049,166

NOTE 11 - LEASES

The Archdiocesan Pastoral Center's operating leases and finance consist primarily of space and equipment. The ROU finance and operating lease assets are reported within prepaid expenses and other assets and lease liabilities are reported within accounts payable and accrued expenses on the accompanying statements of financial position. As of June 30, operating lease and finance lease ROU and lease liabilities total:

	2025	2024
ROU asset, operating lease	$ 406,250	$ 565,861
Lease liability, operating lease	415,693	596,929
ROU asset, finance lease	131,389	153,345
Lease liability, finance lease	134,852	154,401

The components of lease cost are:

	Years Ended June 30,	
	2025	2024
Finance lease cost:		
Amortization of ROU assets	$ 32,253	$ 10,879
Interest on finance lease liabilities	6,197	2,331
Total finance lease cost	38,450	13,210
Operating lease cost	177,706	218,444
Total lease cost	$ 216,156	$ 231,654

Supplemental quantitative information related to leases is as follows:

	Years Ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 199,331	$ 196,208
Operating cash flows from finance leases	6,197	2,331
Financing cash flows from finance leases	29,846	12,154
ROU assets obtained in exchange for lease obligations:		
Operating leases	-	86,043
Finance leases	9,782	164,224
Weighted-average remaining lease term (in years):		
Operating leases	2.1	3.5
Finance leases	3.9	5.0
Weighted-average discount rate:		
Operating leases	3.45%	3.54%
Finance leases	4.29%	4.32%

The maturity of the Archdiocesan Pastoral Center's lease liabilities as of June 30, 2025 are as follows:

Fiscal Year Ending June 30,	Finance	Operating
2026	$ 37,746	$ 144,655
2027	37,746	92,089
2028	37,746	49,699
2029	31,784	29,772
2030	1,704	29,772
Thereafter	-	109,163
Total lease obligation, gross	146,726	455,150
Less: amounts representing interest rates	(11,874)	(39,457)
Total lease liability	$ 134,852	$ 415,693

NOTE 12 - CONTINGENCIES

The Archdiocesan Pastoral Center, in the normal course of its operations, is a party to various legal proceedings and complaints, some of which are covered by insurance. While it is not feasible to predict the ultimate outcomes of such matters, management of the Archdiocesan Pastoral Center is not aware of any claims or contingencies which are not covered by insurance that would have a material adverse effect on the Archdiocesan Pastoral Center's financial position, changes in net assets or cash flows.

NOTE 13 - PENSION BENEFIT SETTLEMENT PAYMENT

In 2019, there was an action filed against the Archdiocese of Newark, captioned Salvia, et al. v. The Roman Catholic Archdiocese of Newark, New Jersey.

It was alleged that the Archdiocese caused the plaintiffs to lose pension benefits to which they are entitled. The Archdiocese denies such allegation of wrongdoing and further denies that it has any legal obligation with respect to plaintiffs' pension.

Both parties have agreed to settle and fully resolve any and all claims alleged against the Archdiocese; and have entered into a resolution agreement, which was executed on November 14, 2022. The liability represents the present value of the Archdiocese's remaining obligations under the agreement. The liability as of June 30, 2025 and 2024 approximate $4,180,000 and $4,271,000, respectively.

At June 30, 2025, estimated future benefit payments are as follows:

2026	$ 386,099
2027	372,209
2028	366,145
2029	356,647
2030	341,785
Thereafter	3,752,155

NOTE 14 - LIQUIDITY AND AVAILABILITY

The following reflects Archdiocesan Pastoral Center's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	As of June 30,	
	2025	2024
Cash and cash equivalents	$ 43,349,835	$ 32,370,269
Investments	733,212,677	658,516,197
Contributions and pledges receivables, net	845,646	874,930
Accounts and loans receivables, net	14,618,102	15,741,765
Mortgage receivables	1,049,166	1,115,986
Total financial assets	793,075,426	708,619,147
Receivables to be collected in more than one year:		
Contributions and pledges receivable	(300,000)	(400,000)
Accounts and loans receivables, net	(7,765,000)	(7,680,000)
Mortgage receivables	(980,257)	(1,049,160)
Less: unavailable for general expenditures within one year, due to being:		
Restricted by donor with purpose restrictions, net of amounts not yet collected and therefore not included in financial assets	(115,325,635)	(100,760,183)
Subject to donor restrictions maintaining assets in perpetuity	(90,531,253)	(90,902,616)
Held as a fiscal agent for others (custodial funds)	(422,537,627)	(395,967,866)
Board designations:		
Designated for schools and education	(30,390,684)	(27,350,927)
Designated for Cathedral Health Pension	(2,700,000)	(3,700,000)
Parish loan fund	(11,000,000)	(11,000,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 111,544,970	$ 69,808,395

The Archdiocesan Pastoral Center manages its liquid resources by focusing on investing excess cash in investments that maximize earnings potential balanced with the amount of risk the Archdiocesan Pastoral Center's investment committee has decided can be tolerated. Additionally, the Archdiocesan Pastoral Center prepares detailed budgets which are approved by the Archbishop of Newark, the Archdiocesan Budget Review Committee and the Archdiocesan Finance Council.