The Pontifical Mission Societies in the United States

Financial Statements

December 31, 2025 and 2024

Independent Auditors' Report

To the Audit Committee of
The Pontifical Mission Societies in the United States

Opinion

We have audited the accompanying financial statements of The Pontifical Mission Societies in the United States (the "Organization"), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 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 in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risk 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

PKF O'Connor Davies, LLP

June 10, 2026

The Pontifical Mission Societies
in the United States

Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	$ 4,383,025	$ 4,252,210
Investments, at fair value	80,440,826	66,415,294
Due from diocesan offices, net	25,735,531	19,821,570
Accrued interest receivable	78,281	58,240
Appeals, World Mission Sunday, and education	206,679	1,269,442
Property, equipment and intangible assets, net of accumulated depreciation	12,005,982	11,314,017
Beneficial interests in trusts	12,442,430	11,806,478
Other assets	194,097	194,303
	$ 135,486,851	$ 115,131,554
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 1,456,869	$ 2,903,324
Due to the Superior Council	31,914,611	22,617,066
Unsaid mass obligations	128,443	179,366
Refundable advances, including revocable gifts	13,764,394	12,165,016
Distributions due to annuitants and beneficiaries	5,222	8,707
Present value of annuity obligations	8,575,907	9,002,793
Obligations under various other split interest agreements	6,851,005	5,856,111
State mandated annuity reserve	1,286,386	1,350,419
Assets held for others	657,922	664,822
Total Liabilities	64,640,759	54,747,624
Net Assets		
Without Donor Restrictions		
Operating	23,599,575	15,305,341
Board designated fund	26,016,258	24,267,368
Board designated insurance reserve	986,229	1,035,321
Total Without Donor Restrictions	50,602,062	40,608,030
With donor restrictions	20,244,030	19,775,900
Total Net Assets	70,846,092	60,383,930
	$ 135,486,851	$ 115,131,554

See notes to financial statements

The Pontifical Mission Societies
in the United States

Statement of Activities
Year Ended December 31, 2025

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
OPERATING SUPPORT AND REVENUE				
General offerings and collections	$ 32,109,468	$ -	$ 32,109,468	$ 24,128,168
Legacies and bequests	12,296,588	-	12,296,588	4,736,426
Solidarity funds	-	341,205	341,205	107,009
Dividends and interest income	1,846,820	52,607	1,899,427	1,593,564
Appeals, World Mission Sunday, and education	23,741	-	23,741	141,928
Net assets released from restrictions	988,054	(988,054)	-	-
Total Operating Support and Revenue	47,264,671	(594,242)	46,670,429	30,707,095
OPERATING EXPENSES				
Program Services				
Subsidy distributions	30,151,419	-	30,151,419	20,055,941
Program related initiatives	3,636,299	-	3,636,299	2,858,987
Total Program Services	33,787,718	-	33,787,718	22,914,928
Supporting Services				
Management and general	2,411,787	-	2,411,787	2,395,715
Fundraising	3,596,276	-	3,596,276	3,892,378
Total Supporting Services	6,008,063	-	6,008,063	6,288,093
Distributions due to annuitants and beneficiaries	39,795,781	-	39,795,781	29,203,021
Excess (Deficit) of Operating Support and Revenue over Operating Expenses	7,468,890	(594,242)	6,874,648	1,504,074
OTHER CHANGES				
Annuity contracts, net of actuarial gains and losses	668,919	-	668,919	932,317
Payments to annuitants and income beneficiaries	(2,610,333)	-	(2,610,333)	(2,172,420)
Total Other Changes	(1,941,414)	-	(1,941,414)	(1,240,103)
Change in Net Assets from Operations	5,527,476	(594,242)	4,933,234	263,971
NONOPERATING ACTIVITIES				
Valuation adjustments in refundable advances, including revocable gifts	(2,903,504)	309,232	(2,594,272)	(2,528,787)
Valuation adjustments in beneficial interests in trusts	-	635,952	635,952	137,101
Unrealized gain on securities	6,035,541	74,585	6,110,126	5,577,056
Realized gain on sale of securities	1,334,519	42,603	1,377,122	1,150,805
Total Nonoperating Activities	4,466,556	1,062,372	5,528,928	4,336,175
Change in Net Assets	9,994,032	468,130	10,462,162	4,600,146
NET ASSETS				
Beginning of year	40,608,030	19,775,900	60,383,930	55,783,784
End of year	$ 50,602,062	$ 20,244,030	$ 70,846,092	$ 60,383,930

See notes to financial statements

The Pontifical Mission Societies
in the United States

Statement of Activities
Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUE			
General offerings and collections	$ 24,124,442	$ 3,726	$ 24,128,168
Legacies and bequests	4,736,426	-	4,736,426
Solidarity funds	-	107,009	107,009
Dividends and interest income	1,527,871	65,693	1,593,564
Appeals, World Mission Sunday, and education	141,928	-	141,928
Net assets released from restrictions	158,193	(158,193)	-
Total Operating Support and Revenue	30,688,860	18,235	30,707,095
OPERATING EXPENSES			
Program Services			
Subsidy distributions	20,055,941	-	20,055,941
Program related initiatives	2,858,987	-	2,858,987
Total Program Services	22,914,928	-	22,914,928
Supporting Services			
Management and general	2,395,715	-	2,395,715
Fundraising	3,892,378	-	3,892,378
Total Supporting Services	6,288,093	-	6,288,093
Distributions due to annuitants and beneficiaries	29,203,021	-	29,203,021
Excess of Operating Support and Revenue over Operating Expenses	1,485,839	18,235	1,504,074
OTHER CHANGES			
Annuity contracts, net of actuarial gains and losses	932,317	-	932,317
Payments to annuitants and income beneficiaries	(2,172,420)	-	(2,172,420)
Total Other Changes	(1,240,103)	-	(1,240,103)
Change in Net Assets from Operations	245,736	18,235	263,971
NONOPERATING ACTIVITIES			
Valuation adjustments in refundable advances, including revocable gifts	(2,903,374)	374,587	(2,528,787)
Valuation adjustments in beneficial interests in trusts	-	137,101	137,101
Unrealized gain on securities	5,521,757	55,299	5,577,056
Realized gain on sale of securities	1,040,022	110,783	1,150,805
Total Nonoperating Activities	3,658,405	677,770	4,336,175
Change in Net Assets	3,904,141	696,005	4,600,146
NET ASSETS			
Beginning of year	36,703,889	19,079,895	55,783,784
End of year	$ 40,608,030	$ 19,775,900	$ 60,383,930

See notes to financial statements

The Pontifical Mission Societies
in the United States

Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services			Supporting Services			
	Subsidy Distributions	Program Related Initiatives	Total	Management and General	Fundraising	Total	Total Expenses
Subsidy distributions to the Superior Council	$ 30,151,419	$ -	$ 30,151,419	$ -	$ -	$ -	$ 30,151,419
Missio.org and program-related initiative grants	-	366,606	366,606	-	-	-	366,606
Appeals, World Mission Sunday, and education	-	1,139,224	1,139,224	-	907,757	907,757	2,046,981
Salaries	-	1,073,021	1,073,021	710,090	751,508	1,461,598	2,534,619
Marketing and advertising	-	-	-	-	341,425	341,425	341,425
Bad debt expense	-	-	-	200,000	-	200,000	200,000
Employee benefits and taxes	-	502,714	502,714	334,085	353,572	687,657	1,190,371
Professional fees	-	13,213	13,213	400,617	555,842	956,459	969,672
Occupancy and information technology	-	479,521	479,521	317,758	336,292	654,050	1,133,571
Depreciation and amortization expense	-	62,000	62,000	449,237	349,880	799,117	861,117
Total Functional Expenses	$ 30,151,419	$ 3,636,299	$ 33,787,718	$ 2,411,787	$ 3,596,276	$ 6,008,063	$ 39,795,781

See notes to financial statements

The Pontifical Mission Societies
in the United States

Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services			Supporting Services			
	Subsidy Distributions	Program Related Initiatives	Total	Management and General	Fundraising	Total	Total Expenses
Subsidy distributions to the Superior Council	$ 20,055,941	$ -	$ 20,055,941	$ -	$ -	$ -	$ 20,055,941
Missio.org and program-related initiative grants	-	107,466	107,466	-	-	-	107,466
Appeals, World Mission Sunday, and education	-	798,378	798,378	-	1,357,760	1,357,760	2,156,138
Salaries	-	903,225	903,225	832,777	741,729	1,574,506	2,477,731
Marketing and advertising	-	-	-	-	440,034	440,034	440,034
Bad debt expense	-	-	-	200,000	-	200,000	200,000
Employee benefits and taxes	-	367,843	367,843	339,153	302,073	641,226	1,009,069
Professional fees	-	110,915	110,915	497,173	581,745	1,078,918	1,189,833
Occupancy and information technology	-	403,455	403,455	371,986	331,317	703,303	1,106,758
Depreciation and amortization expense	-	167,705	167,705	154,626	137,720	292,346	460,051
Total Functional Expenses	$ 20,055,941	$ 2,858,987	$ 22,914,928	$ 2,395,715	$ 3,892,378	$ 6,288,093	$ 29,203,021

See notes to financial statements

The Pontifical Mission Societies
in the United States

Statements of Cash Flows

	Year Ended December 31, 2025	Year Ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 10,462,162	$ 4,600,146
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation and amortization	861,117	460,051
Appeals, World Mission Sunday, and education	(6,110,126)	(5,577,056)
Realized gain on the sales of securities	(1,377,122)	(1,150,805)
Bad debt expense	200,000	200,000
Maturing of annuity contracts	(223,225)	(950,422)
Gain (loss) in net present value of annuities	(381,661)	137,755
Valuation adjustments in beneficial interests in trusts	(635,952)	(137,101)
Changes in operating assets and liabilities		
Due from diocesan offices	(6,113,961)	688,296
Accrued interest receivable	(20,041)	47,043
Legacies, bequests and other receivables	1,062,763	(1,049,256)
Other assets	206	(17,546)
Accounts payable and accrued expenses	(1,446,455)	1,204,978
Due to the Superior Council	9,297,545	(2,349,739)
Unsaid mass obligations	(50,923)	(89,747)
Refundable advances, including revocable gifts	1,599,378	1,553,147
Distributions due to annuitants and beneficiaries	(3,485)	358
Obligations under various other split interest agreements	994,893	971,792
State mandated annuity reserve	(64,033)	(119,650)
Assets held for others	(6,900)	(40,681)
Net Cash Provided (Used) by Operating Activities	8,044,180	(1,618,437)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of new annuity contracts	178,000	15,000
Purchases of intangible assets	(1,553,082)	(1,426,360)
Sales of investments	27,993,836	12,219,722
Purchase of investments	(34,532,119)	(8,443,020)
Net Cash Provided (Used) by Investing Activities	(7,913,365)	2,365,342
Net Change in Cash and Cash Equivalents	130,815	746,905
CASH AND CASH EQUIVALENTS		
Beginning of year	4,252,210	3,505,305
End of year	$ 4,383,025	$ 4,252,210

See notes to financial statements

1. Organization and Tax Status

The Pontifical Mission Societies in the United States (the “Organization”) is the principal agency of the Roman Catholic Church (the “Church”) that fosters awareness of and interest in all aspects of the Church’s missionary activity and gathers financial support for the most basic needs of its worldwide missionary apostolate.

Historically, the Organization operated through three primary entities: The Society for the Propagation of the Faith (“SPOF”), The Society of St. Peter Apostle for Native Clergy, Inc. (“SPA”), and The Association of the Holy Childhood, Inc. (“MCA”). On February 12, 2024, the Board of Directors approved a resolution to merge MCA and SPA into SPOF, with SPOF as the surviving corporation, and to rename the surviving entity The Pontifical Mission Societies in the United States. The merger was subsequently approved by the New York State Attorney General and took effect on September 24, 2025. Following the merger, their respective operations and functions continue without substantive change and are reported under programs within the financial statements.

In accordance with the Organization’s policies and consistent with the International Statutes, amounts attributable to activities associated with SPOF, SPA, and MCA represent the excess of annual revenue and support designated for each respective society over related administrative, program, and fundraising expenses, after interfund transfers and adjustments for any Board-designated amounts. Such amounts are made available for distribution to the respective Pontifical Societies in Vatican City, subject to approval by the Board of Directors, and are generally remitted in the following year to support their respective missions, as follows:

- SPOF includes the worldwide missionary apostolate of the Church and the infrastructure of more than 1,130 mission dioceses;
- SPA includes its mission of supporting the education and formation of clergy and religious in mission dioceses; and
- MCA includes programs serving children in mission dioceses, including educational initiatives and Christian and missionary formation.

The Organization is incorporated in the State of New York and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code by virtue of its inclusion in the Official Catholic Directory under the group ruling issued annually by the Internal Revenue Service to the United States Conference of Catholic Bishops.

On December 13, 2022, The Pontifical Mission Societies, Inc. (“PMS”) was incorporated in the State of Florida as a separate legal entity and is recognized as exempt from federal income taxation under Section 501(c)(3) effective December 31, 2022. PMS will operate as a subsidiary organization that also supports the missionary activities of the Roman Catholic Church in the United States. PMS has no activity since inception.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which requires management to make estimates and assumptions 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Net Asset Presentation

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Without donor restrictions – consist of resources available for the general support of the Organization's operations. Net assets without donor restrictions may be used at the discretion of the Organization's management and Board of Directors.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require the Organization to maintain in perpetuity, including funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the "with donor restrictions" or "without donor restrictions" net asset classes based upon stipulations by the donors.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less at time of purchase.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for each class of receivables where there exists doubt as to whether an amount will be fully collected. The allowance is based on multiple factors including historical experience with bad debts, the credit quality of the diocese, estate or donor, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable.

2. Summary of Significant Accounting Policies *(continued)*

Allowance for Doubtful Accounts (continued)

The Organization's allowance for doubtful accounts is based on the assessment of the collectability of assets pooled together with similar risk characteristics. Due from diocesan offices are reflected in the statements of financial position net of allowance for doubtful accounts of $538,251 and $350,716 as of December 31, 2025 and 2024. Legacies, bequests and other receivables are reflected in the statements of financial position net of an allowance for doubtful accounts of $0 and $401,106 as of December 31, 2025 and 2024.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on "Fair Value Measurements" which establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest level of reliance and are related to assets with unadjusted quoted prices in active markets and excludes listed equities and other securities held indirectly through commingled funds. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Organization follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

The Organization holds alternative investments (see Note 8) which are valued on a monthly or quarterly basis using the NAV for the fund which is calculated by a third party. The fair value of alternative investments has been estimated using NAV as reported by the management of the respective alternative investment funds. U.S. GAAP guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments. The NAV reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Organization's interest.

The Organization holds beneficial interests in temporary and irrevocable trusts which are administered by third parties. The amounts are based on Level 3 inputs. The following is a description of valuation methodologies used for these beneficial interests.

- Valued at the fair value of the underlying trust investments determined by the closing price reported in the active or observable market in which the individual market securities that are held within the trust are traded, as reported to the Organization by the third-party trustees.
- Valued based upon the present value of future distributions to be received using current cash flows and an assumed rate of return on the underlying assets of 3.75%.

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements (continued)

- Valued based on the present value of forecasted lease payments per the underlying lease.

The preceding methods 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 Organization believes its valuation methods are 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.

The fair values by input levels of the Organization's investments are included in Note 8 to the financial statements.

Investments

Investments in publicly traded debt and equity securities are recorded at fair value, determined on the basis of quoted market values. Investments in alternative investments that are not readily marketable are carried at an estimation of fair value as determined by the respective investment manager. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Dividends and interest are recognized as earned.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Investment Policy

The overall investment policy of the Organization with respect to investments is to make prudent investments that are designed to emphasize total return and seek investments which: 1) follow the United States Conference of Catholic Bishops (USCCB) guidance as well as 2) support and/or recognize the importance of environmental, social and governance factors. Investment discretion is delegated to the investment managers retained by the Organization who abide by the investment policy, objectives and directives which have been approved by the Organization's Investment Committee.

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment

Property and equipment are recorded at cost. Depreciation of furniture and equipment is recorded on a straight-line basis over 3 to 10 years. Depreciation of building improvements is recorded on a straight-line basis over 10 to 40 years. Depreciation of building is recorded on a straight-line basis over 40 years. Expenditures over $15,000 with an estimated useful life of more than 3 years are capitalized to the asset accounts.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value less costs to sell. There were no impairment losses on long-lived assets for the years ended December 31, 2025 and 2024.

Split Interest Agreements

The Organization is a party to certain split-interest agreements. The split-interest agreements include annuity funds, pooled income funds, and trust funds. The assets resulting from split-interest agreements are recorded at fair value. Obligations arising from split-interest agreements are recorded as liabilities and are estimated based upon the present value of future cash flows.

Outstanding Legacies and Bequests

The Organization has been named as a beneficiary under various wills and other agreements where the total realizable amount is not presently determinable. The Organization's share is not recorded until the Organization has an irrevocable right to the gift and the proceeds are measurable. As such, there is no provision for uncollectible legacies receivable once the amounts have been recognized as a receivable.

Assets Held for Others

The Organization also receives amounts to be held under various safekeeping and similar arrangements. Such inflows of resources are recorded as assets by the Organization at fair value, with a corresponding liability of equal value. Certain of these assets may give rise to future revenues of the Organization.

2. Summary of Significant Accounting Policies *(continued)*

Annuity Funds

The assets received under charitable gift annuity agreement contracts are held as general assets of the Organization and the related annuity liability is a general obligation of the Organization. The present value of the liability to annuitants is determined by using certain interest assumptions and applicable mortality tables.

The records of the annuity fund are maintained in conformity with the regulations prescribed by the New York State Department of Financial Services. Such regulations provide that:

(a) Net assets must be Board restricted to the extent of 10% of the net present value of annuities. An additional statutory cushion to this reserve of 15% is also required.

(b) Investments in bonds are to be reported to the New York State Department of Financial Services at cost; with no subsequent increases and declines in fair value recognized. However, for financial reporting purposes, increases or declines in the fair value of bonds are recognized and included within unrealized appreciation (depreciation) in the fair value of investments.

A reconciliation of the ending balances of the present value of annuity obligations included on the statements of financial position is as follows for the years ended December 31:

	2025	2024
Present value of annuity obligations, beginning of year	$ 9,002,793	$ 9,800,460
New annuity contracts	178,000	15,000
Matured annuity contracts	(223,225)	(950,422)
Gain (loss) in net present value of annuities	(381,661)	137,755
Present value of annuity obligations, end of year	$ 8,575,907	$ 9,002,793

Annuity contracts, net of actuarial gains and losses are as follows at December 31:

	2025	2024
Matured annuity contracts released	$ 223,225	$ 950,422
Gain (loss) in net present value of annuities	445,694	(18,105)
Annuity contracts, net of actuarial gains and losses	$ 668,919	$ 932,317

2. Summary of Significant Accounting Policies *(continued)*

Annuity Funds (continued)

The difference between the gain in net present value of annuities included in the statements of activities and the (gain) loss in net present value of annuities included within the present value of annuity obligations on the statements of financial position is due to adjustments in the state mandated annuity reserves each year. The change in state mandated annuity reserves was $64,033 and $119,650 for the years ended December 31, 2025 and 2024.

Pooled Income Funds

The Organization maintains a Pooled Income Fund (the "Fund") for the management and investment of irrevocable remainder interests in property contributed to the Organization by donors retaining, or creating, life interests for one or more named beneficiaries living at the time of the transfer. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry to the Fund. Until a donor's death, the donor (or the donor's designated beneficiary or beneficiaries) is paid the actual income (as defined under the arrangement) earned on the donor's assigned units. Upon the donor's death, the value of these assigned units reverts to the Organization.

The Organization has received a private letter ruling from the Internal Revenue Service stating that the Fund meets the definition of a "pooled income fund" under Section 642(c)(5) of the Internal Revenue Code of 1954. Accordingly, all transfers to the Fund qualify for deductibility of federal income, estate and gift tax purposes.

Advertising

Advertising is expensed as it is incurred.

Trust Funds

The Organization is a party to certain split-interest agreements involving both revocable and irrevocable trusts. Revocable agreements have been treated as refundable advances, a liability, in the accompanying statements of financial position because the donor may revoke all, or part, of the trust prior to the death of the donor.

Liabilities applicable to irrevocable split-interest agreements are measured at the present value of the estimated future payments to income beneficiaries using a discount rate of 5% to 7% and applicable mortality tables. On an annual basis, the Organization revalues the liability based on changes in life expectancy and other actuarial assumptions.

Upon the termination of the irrevocable trust funds, the Organization acquires full right to the net assets, which are then reclassified from a net asset with donor restrictions to a net asset without donor restrictions in the accompanying financial statements.

2. Summary of Significant Accounting Policies *(continued)*

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization has no uncertain tax positions that would require financial statement recognition or disclosure. The Organization would be subject to Unrelated Business Income Tax ("UBIT") on the net income derived from unrelated business activities had it engaged in such activities.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statements of activities. Specific expenses that are readily identifiable to a single program or activity are charged to that function. Certain expenses are attributable to more than one program or supporting function and have been allocated in a reasonable ratio by management. These expenses include salaries, employee benefits and taxes, occupancy and information technology, and depreciation and amortization expense, which are allocated based on estimates of time and effort along with space utilized for related activities allocated based on square footage.

Operating Measure

The statements of activities separately report changes in net assets from operating and nonoperating activities. The Organization includes in its definition of operations all revenue, support and expenses that are an integral part of its programs and supporting activities. Contributions specifically restricted by donors for operating purposes are included in operating revenue and support. Dividends and interest income earned on certain contributions retained in perpetuity is reported as operating revenue.

Nonoperating activities consist of valuation adjustments in refundable advances (including revocable gifts), valuation adjustments in beneficial interests in trusts, and realized and unrealized gain (loss) on securities.

Intangible Assets

Finite-lived intangible assets that are acquired from a third party are recorded at cost on their acquisition dates and are amortized on a straight-line basis over the economic useful life of the asset once substantially complete and put into service. The Organization reviews its finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by comparison of the carrying amount of an asset to the undiscounted future net cash flows expected to be generated by the asset. If such asset is not recoverable, a potential impairment loss is recognized to the extent the carrying amount of the asset exceeds the fair value of the asset.

2. Summary of Significant Accounting Policies *(continued)*

Intangible Assets (continued)

At December 31, 2025 and 2024, intangible assets consist of a donor list, a cloud migration project, a customer relationship management (“CRM”) platform, MCPlus software, NS implementation, website consolidation and an enterprise resource planning (“ERP”) system implementation. The donor list and MCPlus software are still in development and not substantially complete.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 10, 2026.

3. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and receivables along with certain investments. The Organization places its cash and cash equivalents along with its investments at high credit quality financial institutions. A significant portion of such cash and cash equivalents and investments is not insured by the Federal Deposit Insurance Corporation (“FDIC”) or Securities Investor Protection Corporation (“SIPC”). Management believes there is a very low risk of loss due to the failure of these institutions.

Concentrations of credit risk with respect to amounts due from Diocesan offices and other receivables are generally diversified due to the large number of individual diocesan offices composing the underlying population.

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees, errors and omissions; natural disasters, etc. The Organization is covered by the Protected Insurance Plan (the "Plan") of the Archdiocese of New York. The Plan provides for uniform property and blanket liability coverage on all premises and their contents, workers' compensation for all lay employees and directors' liability coverage. The Plan is administered by an independent insurance agent, and is covered by an umbrella policy.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following at December 31:

	2025	2024
Cash in bank	$ 4,382,466	$ 4,251,710
Petty cash	559	500
	$ 4,383,025	$ 4,252,210

5. Property, Equipment and Intangible Assets

Property and equipment, net, consist of the following at December 31:

	2025	2024
Building and improvements	$ 13,367,142	$ 13,367,142
Furniture and fixtures	-	7,694
Intangible asset - Donor list	3,966,502	3,077,502
Intangible asset - Cloud migration	249,355	249,355
Intangible asset - Customer Relation Management software	210,650	210,650
Intangible asset - Missionary Cooperative Management software	607,000	310,000
Intangible asset - Enterprise Relationship Management software	159,572	-
Intangible asset - Website consolidation	207,510	-
	18,767,731	17,222,343
Less accumulated depreciation and amortization	(6,761,749)	(5,908,326)
	$ 12,005,982	$ 11,314,017

During the year ended December 31, 2025, furniture and fixtures with a cost and accumulated depreciation of $7,694 were written off.

6. Retirement Plan – Defined Contribution Plan

The Organization sponsors a defined contribution plan (the "Plan"). Employees are eligible to participate in salary deferrals immediately upon date of hire, while eligibility for employer contributions requires the completion of one year of service. The Plan provides for a matching contribution of 50% on the first 3% of eligible employee compensation deferred. Additionally, the Plan provides for a discretionary employer contribution of 4%. Total plan costs recognized for the years ended December 31, 2025 and 2024 were approximately $94,000 and $105,000.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of time restricted net assets related to beneficial interests, pooled income and irrevocable trust funds. A reconciliation of net assets with donor restricted activities for the year ended and balances as of December 31, 2025 are detailed as follows:

	Purpose Restricted			Perpetual in Nature			
	Solidarity Funds	Mater Ecclesiae Funds	Accumulated Endowment Earnings	Beneficial Interest	Donor Funds	Time Restricted	Total
Balance - January 1, 2025	$ 572,384	$ 19,129	$ 288,269	$ 11,806,478	$ 1,847,805	$ 5,241,835	$ 19,775,900
Additional gifts received during year	341,205	-	-	-	-	309,232	650,437
Investment income	-	-	52,607	-	-	-	52,607
Unrealized and realized gains	-	-	117,188	-	-	-	117,188
Valuation adjustments for the year	-	-	-	635,952	-	-	635,952
Assets released to meet time or purposes during the year	(345,486)	-	-	-	-	(642,568)	(988,054)
Balance - December 31, 2025	$ 568,103	$ 19,129	$ 458,064	$ 12,442,430	$ 1,847,805	$ 4,908,499	$ 20,244,030

A reconciliation of net assets with donor restricted activities for the year ended and balances as of December 31, 2024 are detailed as follows:

	Purpose Restricted			Perpetual in Nature			
	Solidarity Funds	Mater Ecclesiae Funds	Accumulated Endowment Earnings	Beneficial Interest	Donor Funds	Time Restricted	Total
Balance - January 1, 2024	$ 572,841	$ 15,403	$ 56,494	$ 11,669,377	$ 1,847,805	$ 4,917,975	$ 19,079,895
Additional gifts received during year	107,009	3,726	-	-	-	374,587	485,322
Investment income	-	-	65,693	-	-	-	65,693
Unrealized and realized gains	-	-	166,082	-	-	-	166,082
Valuation adjustments for year	-	-	-	137,101	-	-	137,101
Assets released to meet time or purposes during the year	(107,466)	-	-	-	-	(50,727)	(158,193)
Balance - December 31, 2024	$ 572,384	$ 19,129	$ 288,269	$ 11,806,478	$ 1,847,805	$ 5,241,835	$ 19,775,900

8. Investments

As of December 31, 2025 and 2024, the Organization's investments at fair value were comprised of the following:

	2025		2024	
Money market funds	$ 10,937,442	14%	$ 3,346,619	5%
Common and preferred stock	15,390,964	19%	14,673,529	22%
State and local municipality bonds	-	0%	728,094	1%
United States government and federal agencies' securities	3,573,923	4%	3,070,887	5%
Corporate bonds	2,926,343	4%	2,619,659	4%
Mutual funds	43,490,437	54%	37,934,669	57%
Alternative investments	4,121,717	5%	4,041,837	6%
	$ 80,440,826	100%	$ 66,415,294	100%

8. Investments *(continued)*

A breakout of the investments by category is as follows for the year ended December 31:

	2025	2024
General fund	$ 16,573,177	$ 8,164,858
MCA	3,439,779	2,966,285
Quasi-endowment fund	17,368,060	15,200,295
Annuity fund	16,248,439	15,717,230
Trust fund	25,813,752	22,772,479
Pooled income fund	997,619	1,594,147
	$ 80,440,826	$ 66,415,294

The following summarized the inputs used to measure the fair value of investments at December 31, 2025:

	Level 1	Level 2	Level 3	Investments Measured at NAV (*)	Total
Money market funds	$ 10,937,442	$ -	$ -	$ -	$ 10,937,442
Common and preferred stock	15,390,964	-	-	-	15,390,964
United States government and federal agencies' securities	-	3,573,923	-	-	3,573,923
Corporate bonds	-	2,926,343	-	-	2,926,343
Mutual funds	43,490,437	-	-	-	43,490,437
MISIF LLC**	-	-	-	-	-
Alternative investments	-	-	-	4,121,717	4,121,717
Investments Subtotal	69,818,843	6,500,266	-	4,121,717	80,440,826
Other Assets					
Beneficial interests in temporary and perpetual trusts	-	-	12,442,430	-	12,442,430
	$ 69,818,843	$ 6,500,266	$ 12,442,430	$ 4,121,717	$ 92,883,256

8. Investments *(continued)*

The following summarized the inputs used to measure the fair value of investments at December 31, 2024:

	Level 1	Level 2	Level 3	Measured at NAV (*)	Total
Money market funds	$ 3,346,619	$ -	$ -	$ -	$ 3,346,619
Common and preferred stock	14,673,529	-	-	-	14,673,529
State and local municipality bonds	-	728,094	-	-	728,094
United States government and federal agencies' securities	-	3,070,887	-	-	3,070,887
Corporate bonds	-	2,619,659	-	-	2,619,659
Mutual funds	37,934,669	-	-	-	37,934,669
MISIF LLC**	-	-	-	-	-
Alternative investments	-	-	-	4,041,837	4,041,837
Investments Subtotal	55,954,817	6,418,640	-	4,041,837	66,415,294
Other Assets					
Beneficial interests in temporary and perpetual trusts	-	-	11,806,478	-	11,806,478
	$ 55,954,817	$ 6,418,640	$ 11,806,478	$ 4,041,837	$ 78,221,772

The Organization’s policy is to report transfers at the end of the reporting period. During the years ended December 31, 2025 and 2024, there were no transfers in or out of Levels 1, 2, or 3 of the fair value hierarchy.

* As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

** The funds are an illiquid investment in MISIF LLC, with liquidation being at the discretion of Missio Corp (the “Fund Manager”). The Organization had requested full liquidation of the investment in a letter to the Fund Manager with a response received denying the request. Management of the Organization is diligently working to redeem the investment, however, there is no timeline and no guarantee of the investment return. Management has determined this investment has incurred a loss other than a temporary impairment and accordingly, has written the fair value down to zero and recorded a realized loss of $10,220,188 in fiscal year 2021.

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees’ financial results, financial conditions and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

8. Investments *(continued)*

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Information regarding investments valued at NAV at December 31, 2025 is as follows:

Investment Funds	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic Real Estate Investments (a)				
American Core Realty Fund, LP	$ 1,893,055	$ -	Quarterly	60 days in advance
Exchange Traded Equity Investments (b)				
Millennium International Ltd	2,228,662	-	Quarterly	60 days in advance
	$ 4,121,717	$ -		

a. This category includes one open-ended fund. The open-ended fund invests broadly in United States based commercial, industrial, and residential multi-family real estate.
b. This category includes one hedge fund that invests primarily in equity securities with some fixed income and commodity activity.

9. Endowments

Interpretation of Relevant Law

The New York Prudent Management of Institutional Funds Act (“NYPMIFA”) requires the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Organization classifies as donor restricted net assets (a) the original value of gifts donated to the endowment fund that are perpetual in nature, (b) the original value of subsequent gifts to the endowment fund that are perpetual in nature and (c) accumulations of investment returns to the endowment fund that are perpetual in nature made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as temporary in nature until those amounts are appropriated for expenditure by those charged with governance in a manner consistent with the standard of prudence prescribed by NYPMIFA.

9. Endowments *(continued)*

Investment Policy

The Organization's investments are overseen by an investment committee that charges selected investment managers with the task of making investments for the interest and purpose of providing investment returns for the investments. The assets must be invested with the care, skills, and diligence that a prudent person acting in this capacity would undertake.

The Organization's spending policy is based on a total return approach utilizing both income and capital appreciation to be withdrawn for spending. The maximum allowable expenditure in a year shall be no more than 5-7% payout of the rolling five-year average market value of its investments, determined quarterly. Carryover of unspent distributions and special payments in excess of the annual spending policy are allowable expenditures only with special approval of those charged with governance.

The Organization's endowments consisted of the following at December 31:

	2025	2024
Board Designated Funds		
Quasi endowment	$ 26,016,258	$ 24,267,368
Donor-restricted endowment funds	1,847,805	1,847,805
Accumulated earnings on donor endowment	458,064	288,269
	$ 28,322,127	$ 26,403,442

The following table summarizes changes in the endowment funds for the year ended December 31, 2025:

	Total	Quasi-Endowment	Donor-Restricted	Accumulated Earnings
Endowment net assets, beginning of the year	$ 26,403,442	$ 24,267,368	$ 1,847,805	$ 288,269
Investment income	356,249	303,642	-	52,607
Realized gains on sale of securities	417,850	375,247	-	42,603
Unrealized gains on investments	1,586,623	1,512,038	-	74,585
Endowment assets appropriated for expenditure	(442,037)	(442,037)	-	-
Endowment net assets, end of year	$ 28,322,127	$ 26,016,258	$ 1,847,805	$ 458,064

9. Endowments *(continued)*

Investment Policy (continued)

The following table summarizes changes in the endowment funds for the year ended December 31, 2024:

	Total	Quasi-Endowment	Donor-Restricted	Accumulated Earnings (Losses)
Endowment net assets, beginning of the year	$ 24,463,842	$ 22,559,543	$ 1,847,805	$ 56,494
Investment income	354,344	288,651	-	65,693
Realized gains on sale of securities	436,347	325,564	-	110,783
Unrealized gains on investments	1,600,746	1,545,447	-	55,299
Endowment assets appropriated for expenditure	(451,837)	(451,837)	-	-
Endowment net assets, end of year	$ 26,403,442	$ 24,267,368	$ 1,847,805	$ 288,269

Underwater Endowment Funds with Deficiencies

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Organization to retain as a fund of perpetual duration. The Organization is not aware of any funds with deficiencies as of December 31, 2025 and 2024.

10. Unsaid Mass Obligations

The Organization had the following unsaid mass obligations as of December 31:

	2025	2024
Mass intentions	$ 102,684	$ 172,585
Gregorian masses	20,996	6,781
Triduum Masses	4,763	-
	$ 128,443	$ 179,366

11. Liquidity and Availability of Financial Assets

The Organization's financial assets reduced by amounts not available for general use within one year, due to contractual or donor-imposed restrictions, are composed of the following at December 31:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 4,383,025	$ 4,252,210
Investments, at fair value	80,440,826	66,415,294
Due from diocesan offices, net	25,735,531	19,821,570
Accrued interest receivable	78,281	58,240
Legacies, bequests and other receivables, net	206,679	1,269,442
Beneficial interests in trusts	12,442,430	11,806,478
Total Financial Assets	123,286,772	103,623,234
Less amounts not available to be used within one year:		
Long-term legacies, bequests, and other receivables	(38,729)	(51,638)
Refundable advances, including revocable gifts	(13,764,394)	(12,165,016)
Obligations under various other split interest agreements	(6,851,005)	(5,856,111)
Net assets with purpose restrictions	(20,205,301)	(19,724,262)
Present value of annuity obligations	(8,575,907)	(9,002,793)
State mandated annuity reserve	(1,286,386)	(1,350,419)
Assets held for others	(657,922)	(664,822)
Board designated insurance reserve	(986,229)	(1,035,321)
Board designated funds	(26,016,258)	(24,267,368)
Total Amounts Not Available to be Used Within One Year	(78,382,131)	(74,117,750)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 44,904,641	$ 29,505,484

As part of the Organization's strategy, management structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Organization's liquidity management strategy, the Organization seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by those charged with governance.

Throughout the year, the Organization receives significant contributions from donors that are utilized to fund the ongoing programs that are central to its annual operations, and provide the resources needed to meet the cash needs for general operational expenses. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining adequate reserves to provide reasonable assurance that long-term goals will be achieved.

11. Liquidity and Availability of Financial Assets *(continued)*

To ensure a high likelihood of achieving these objectives, management routinely monitors its liquidity, forecasts its future cash requirements and predicts cash flows. During the years ended December 31, 2025 and 2024, the Organization managed the level of liquidity and operating reserves required to meet the three guiding principles as outlined above.

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