KPMG

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Financial Statements

December 31, 2025

(With Summarized Comparative Financial Information
as of and for the year ended December 31, 2024)

(With Independent Auditors' Report Thereon)

KPMG LLP
Two Manhattan West
375 9th Avenue, 17th Floor
New York, NY 10001

Independent Auditors' Report

The Board of Trustees
Catholic Near East Welfare Association:

Opinion

We have audited the consolidated financial statements of Catholic Near East Welfare Association (the Organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 relating to our audit. 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 Consolidated Financial Statements

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

In preparing the consolidated 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 for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated June 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived

KPMG LLP

New York, New York
June 29, 2026

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Financial Position

December 31, 2025
(with comparative amounts as of December 31, 2024)

Assets		**2025**	**2024**
Cash and cash equivalents	$	17,009,986	9,379,866
Contributions receivable		1,388,840	1,496,220
Accrued receivables and prepaid expenses		1,335,351	2,009,786
Investments (notes 4 and 6)		76,014,567	65,175,333
In-kind goods		17,475	17,475
Trust investments held by others (note 4)		3,033,260	2,709,011
Operating lease right-of-use asset		5,051,627	—
Fixed assets, net (notes 5 and 7)		1,071,726	6,325,566
Total assets	$	104,922,832	87,113,257
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	1,179,993	1,433,248
Actuarial liability for annuities payable (note 6)		2,663,256	2,940,352
Operating lease liability		5,414,651	—
Notes payable (note 7)		—	2,784,707
End-of-service liabilities		3,695,088	3,179,660
Total liabilities		12,952,988	10,337,967
Net assets (note 11):			
Without donor restrictions:			
Undesignated		29,219,408	19,381,164
Designated		12,893,753	11,700,259
Net investment in plant		708,702	3,540,859
Total net assets without donor restrictions		42,821,863	34,622,282
With donor restrictions (note 10)		49,147,981	42,153,008
Total net assets		91,969,844	76,775,290
Total liabilities and net assets	$	104,922,832	87,113,257

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Activities

Year ended December 31, 2025
(with summarized comparative amounts for the year ended December 31, 2024)

	Without donor restrictions						
	Undesignated	**Designated**	**Net invest in plant**	**Total**	**With donor restrictions**	**2025 Total**	**2024 Total**
Operating revenue, gains, and other support:							
Contributions	$ 9,181,951	—	—	9,181,951	6,038,342	15,220,293	13,407,491
Grants from funding agencies	257,095	—	—	257,095	7,820,096	8,077,191	6,357,340
Collections	1,467,437	—	—	1,467,437	—	1,467,437	1,435,315
Legacies, bequests, and trusts	2,989,740	—	—	2,989,740	1,979,898	4,969,638	2,673,633
Investment return, net (note 4)	2,413,718	763,781	1,467	3,178,966	1,721,452	4,900,418	4,776,605
Contributed services	125,281	—	—	125,281	—	125,281	125,281
	16,435,222	763,781	1,467	17,200,470	17,559,788	34,760,258	28,775,665
Net assets released from restrictions	11,722,821	—	—	11,722,821	(11,722,821)	—	—
Total operating revenue, gains, and other support	28,158,043	763,781	1,467	28,923,291	5,836,967	34,760,258	28,775,665
Operating expenses:							
Program services (note 12):							
Accompanying the church	7,220,573	—	16,992	7,237,565	—	7,237,565	7,538,772
Responding to human needs	11,421,089	—	27,568	11,448,657	—	11,448,657	13,260,267
Public awareness	1,841,426	—	14,861	1,856,287	—	1,856,287	1,771,665
Total program services	20,483,088	—	59,421	20,542,509	—	20,542,509	22,570,704
Support services:							
Fundraising	1,994,697	—	17,590	2,012,287	—	2,012,287	2,205,090
Management and general	3,115,205	—	108,800	3,224,005	—	3,224,005	2,592,762
Total support services	5,109,902	—	126,390	5,236,292	—	5,236,292	4,797,852
Total expenses	25,592,990	—	185,811	25,778,801	—	25,778,801	27,368,556
Increase in net assets before nonoperating activities	2,565,053	763,781	(184,344)	3,144,490	5,836,967	8,981,457	1,407,109
Nonoperating activities:							
Acquisition of fixed assets	(903,512)	—	903,512	—	—	—	—
Unrealized and other long term gain on investments (note 4)	900,943	429,713		1,330,656	1,088,211	2,418,867	3,702,619
Change in value of annuity obligations	(135,587)	—		(135,587)	—	(135,587)	(202,882)
Foreign currency (loss) gain	(74,396)	—	(8,591)	(82,987)	284,345	201,358	(555,485)
Transfers between net assets	7,485,743	—	(7,271,193)	214,550	(214,550)	—	—
Gain from sale of fixed asset	—	—	3,728,459	3,728,459	—	3,728,459	—
Increase (decrease) in net assets	9,838,244	1,193,494	(2,832,157)	8,199,581	6,994,973	15,194,554	4,351,361
Net assets at beginning of year	19,381,164	11,700,259	3,540,859	34,622,282	42,153,008	76,775,290	72,423,929
Net assets at end of year	$ 29,219,408	12,893,753	708,702	42,821,863	49,147,981	91,969,844	76,775,290

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Functional Expenses

Year ended December 31, 2025
(with summarized comparative amounts for the year ended December 31, 2024)

	Program services				Support services				
	Accompanying the church	**Responding to human needs**	**Public awareness**	**Total**	**Fundraising**	**Management and general**	**Total**	**2025 Total**	**2024 Total**
Awards and grants:									
Subsidies	$ 1,861,717	854,767	—	2,716,484	—	—	—	2,716,484	2,710,655
Project grants	3,857,102	7,636,279	—	11,493,381	—	—	—	11,493,381	13,613,665
Special awards	3,082	800	—	3,882	—	—	—	3,882	12,349
Total awards and grants	5,721,901	8,491,846	—	14,213,747	—	—	—	14,213,747	16,336,669
Operating expenses:									
Salaries and related expenses:									
Salaries	760,947	1,526,578	760,296	3,047,821	785,359	1,173,914	1,959,273	5,007,094	4,632,502
Employee benefits	274,133	593,046	216,089	1,083,268	217,984	400,426	618,410	1,701,678	1,488,131
Payroll taxes	50,120	88,244	47,349	185,713	50,518	82,061	132,579	318,292	295,675
Total salaries and related expenses	1,085,200	2,207,868	1,023,734	4,316,802	1,053,861	1,656,401	2,710,262	7,027,064	6,416,308
Other operating expenses:									
Professional fees and services	76,617	158,754	262,122	497,493	203,572	753,081	956,653	1,454,146	1,199,447
Occupancy (note 9)	94,462	154,721	78,569	327,752	92,338	184,243	276,581	604,333	852,491
Consumable supplies	7,919	14,344	4,918	27,181	6,757	12,749	19,506	46,687	35,686
Telephone and cable	16,146	30,188	13,675	60,009	17,376	19,254	36,630	96,639	111,274
Printing	7,834	6,446	160,185	174,465	306,690	7,079	313,769	488,234	549,471
Postage and shipping	19,544	27,592	117,135	164,271	157,469	38,858	196,327	360,598	363,575
Travel	37,650	79,767	22,134	139,551	22,221	20,213	42,434	181,985	230,854
Insurance	22,696	39,315	20,162	82,173	23,177	23,731	46,908	129,081	115,562
Banking services	11,413	24,637	3,087	39,137	3,697	126,000	129,697	168,834	169,520
Equipment and software maintenance	60,526	94,684	56,108	211,318	17,572	70,439	88,011	299,329	313,908
Depreciation and amortization	16,992	27,568	14,861	59,421	17,590	108,800	126,390	185,811	198,538
Other	58,665	90,927	79,597	229,189	89,967	203,157	293,124	522,313	475,253
Total other operating expenses	430,464	748,943	832,553	2,011,960	958,426	1,567,604	2,526,030	4,537,990	4,615,579
Total operating expenses	1,515,664	2,956,811	1,856,287	6,328,762	2,012,287	3,224,005	5,236,292	11,565,054	11,031,887
Total expenses	$ 7,237,565	11,448,657	1,856,287	20,542,509	2,012,287	3,224,005	5,236,292	25,778,801	27,368,556

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Cash Flows

Year ended December 31, 2025
(with comparative amounts for the year ended December 31, 2024)

	2025	2024
Cash flows from operating activities:		
Increase in net assets	$ 15,194,554	4,351,361
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	185,811	198,538
Net appreciation in fair value of investments	(3,993,587)	(5,820,609)
Gain from sale of fixed asset	(3,728,459)	
Contributions received for long-term investments	(15,831)	(13,805)
Change in value of annuity obligations	135,587	202,882
Changes in operating assets and liabilities:		
Contributions receivable	107,380	304,942
Accrued receivables and prepaid expenses	674,435	(1,374,772)
Trust investments held by others	(324,249)	(182,986)
Operating lease right-of-use asset and lease liability	363,024	
Accounts payable and accrued expenses	(253,255)	302,929
End-of-service liabilities	515,428	28,633
Net cash provided (used in) by operating activities	8,860,838	(2,002,887)
Cash flows from investing activities:		
Purchase of investments	(30,404,299)	(20,354,738)
Proceeds from sale of investments	22,306,455	22,906,869
Addition to fixed assets	(903,512)	(86,276)
Proceeds from sale of fixed asset	9,700,000	—
Net cash provided by investing activities	698,644	2,465,855
Cash flows from financing activities:		
Contributions received for long-term investments	15,831	13,805
Payments of annuity obligations	(412,683)	(436,945)
Repayment of note payable	(2,784,707)	(115,325)
Net cash used in financing activities	(3,181,559)	(538,465)
Net increase (decrease) in cash, cash equivalents, and restricted cash	6,377,923	(75,497)
Cash, cash equivalents, and restricted cash at beginning of year	14,341,044	14,416,541
Cash, cash equivalents, and restricted cash at end of year	$ 20,718,967	14,341,044
Reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such accounts shown above:		
Cash and cash equivalents	$ 17,009,986	9,379,866
Restricted cash included in investments	3,708,981	4,961,178
Cash, cash equivalents, and restricted cash	$ 20,718,967	14,341,044
Supplemental disclosures:		
Interest paid	$ 91,675	142,410
Right of use asset obtained in exchange for operating lease obligations	5,204,790	—

See accompanying notes to consolidated financial statements.

(1) Description of Organization

Catholic Near East Welfare Association (CNEWA) is a special agency of the Holy See established to support the pastoral mission and institutions of the Catholic churches of the East and to provide humanitarian and pastoral assistance to the needy and afflicted without regard to nationality, ethnicity, or religion. It also has been entrusted by the Holy Father with responsibility for promoting the union of the Catholic and Orthodox churches and for fostering interreligious dialogue.

Although one corporate entity according to the canon law of the Catholic Church, CNEWA is also organized into as many related civil corporations as appropriate or as may be required by the law of the various countries in which it conducts its operations. The financial statements reflect the consolidated accounts of the following related civil corporations:

- **Catholic Near East Welfare Association**. CNEWA is incorporated under the provisions of Article 2 of the Religious Corporations Law of the State of New York. It has been classified by the U.S. Internal Revenue Service as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation as described in Section 509(a) of the Code. The headquarters of CNEWA is in New York. In addition to the entities detailed below, the financial statements include its central office in New York, and its regional offices in Addis Ababa, Amman, Asmara, Beirut, and Jerusalem.
- **CNEWA Canada**. CNEWA Canada is incorporated under the provisions of Part II of the Canada Corporations Act, R.S.C. 1970, Chapter C-32, as amended. It has been determined by the Canada Customs and Revenue Agency that CNEWA Canada is a charitable organization as set out under SubSection 149.1.(1) of the Registered Charities and the Income Tax Act and qualifies for tax-exempt status as a registered charity under paragraph 149(1)(f).
- **CNEWA India.** CNEWA India is a public, religious and charitable trust registered in the Ernakulam sub registry office, Kerala State, of the Republic of India. It is registered as a religious trust under Section 12AA of the Income Tax Act, 1961, by the Commissioner of Income Tax, Kochi.
- **CNEWA Italia.** The juridical personality of CNEWA Italia in the Republic of Italy was recognized and registered, n. 782/11, on March 25, 2011 in the Registro delle Persone Giuridiche at the Ufficio Territoriale del Governo – Prefettura di Roma.

CNEWA recognizes the effects of income tax positions only if those positions are more likely than not of being sustained. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions at December 31, 2025 or 2024.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis. All intercompany transactions have been eliminated in consolidation.

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CNEWA and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions — Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. From time to time, the Board has designated a portion of these net assets for specific purposes. The Board has designated a portion of net assets without donor restrictions as a quasi-endowment fund (an amount to be treated by management as if it were part of the donor-restricted endowment) for the purpose of securing the long-term financial viability of CNEWA.

Net Assets With Donor Restrictions — Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions.

CNEWA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the consolidated statement of activities as net assets released from restriction.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting CNEWA to expend the income generated by the assets in accordance with the provisions of additional imposed stipulations or a board-approved spending policy.

(b) Cash Equivalents and Restricted Cash

CNEWA considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents with the exception of short-term investments managed by CNEWA's investment managers for long-term investment purposes, and collateral accounts securing the Beirut office's microcredit project, which are included in investments.

(c) Investments

Investments in equity securities with readily determinable fair values are reported at fair value based on quoted or published market prices. Investments in debt securities are measured using quoted market prices where available. If quoted market prices for debt securities are not available, the fair value is determined using an income approach valuation technique that considers, among other things, rates currently observed in publicly traded markets for debt of similar terms to companies with comparable credit risk, the issuer's credit spread, and illiquidity by sector and maturity. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers using net asset value (NAV) per share or its equivalent as a practical expedient. CNEWA reviews the valuation methods and assumptions used in determining the fair value of the alternative investments for reasonableness. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

(Continued)

(d) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. CNEWA classifies its financial assets and liabilities that are measured at fair value, into the following hierarchy:

Level 1: Quoted or published prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 such as quoted or published prices for similar assets or liabilities; quoted or published prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. The disclosed fair value may also not be realized in the immediate settlement of the financial instrument. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial instrument. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

(e) Fixed Assets

Fixed assets are capitalized at cost when purchased, or at fair value on the date the gift is donated. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets.

(f) Leases

Right of use (ROU) assets represent the CNEWA's right to use an underlying asset for the lease term, and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As CNEWA's lease does not provide an implicit rate, the organization used the risk-free U.S. Treasury rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU assets also include any lease payments made and exclude lease incentives. Lease expense is recognized on a straight-line basis over the lease term. CNEWA's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

(g) End-of-Service Liabilities

End-of-service liabilities represent amounts accrued for employees of certain CNEWA offices payable upon separation from their office in compliance with CNEWA policy and local statutory requirements.

(Continued)

(h) Split-Interest Agreements

CNEWA's split-interest agreements with donors consist of charitable gift annuities for which CNEWA serves as trustee. Assets held under these agreements are included in investments. The additions of new annuities as well as the corresponding liabilities are recognized as of the date the assets are received. Liabilities are adjusted annually during the term of the agreement for changes in the life expectancy of annuitants, accretion of the discount, and other changes in estimates of future benefits.

CNEWA is also the beneficiary of certain perpetual trusts and other split-interest agreements held and administered by others. CNEWA's share of these trusts is recognized as an asset and as a contribution when CNEWA is notified that the trusts have been established and the value is determinable. This is considered a Level 3 asset (note 4). Distributions from those trusts are recorded as investment income and the carrying value of the assets is adjusted annually for the change in the fair market value of the underlying investment trust and recorded in unrealized gain (loss) on investments.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management of CNEWA to make a number of estimates and assumptions relating to the reporting of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions. Management adjusts such estimates when facts and circumstances dictate. Accounts subject to such estimates and assumptions include the valuation of investments and split-interest agreements and the valuation of the actuarial liability for annuities payable. As future events and their effects cannot be determined with precision, actual results could differ from those estimates.

(j) Contributions, Collections, Grants, Legacies, Bequests and Trusts

Contributions, collections and grants, including unconditional promises to give, if any, are recognized as revenue in the period received. A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of a promisor's obligation to transfer assets. Conditional contributions are recognized as revenue when the condition has been met.

Legacies and bequests are recorded when the will has been through probate and declared valid and the amount to be received can be reasonably estimated. Trusts are recorded when a valid valuation is received. Contributions receivable at December 31, 2024 are expected to be collected in 2025.

(k) Contributed Services

Support arising from contributed services of certain religious personnel has been recognized in the consolidated financial statements. The computation of the value of the contribution of these services represents the difference between the stipends and other amounts actually paid to or on behalf of these persons and the comparable compensation that normally would be paid to nonreligious personnel occupying these positions.

(l) Nonoperating Activities

All activity of CNEWA is recorded as operating activity, except for transfers between net assets without donor restrictions fund categories for the acquisition of fixed assets, net of disposals; unrealized and long term gains (losses) on investments; the change in value of the annuity obligations; foreign currency gains (losses); impairment losses; gains (losses) from sale of fixed asset; as well as transfers between net assets categories primarily representing movement of investment income based on donor wishes, which are considered nonoperating activities.

(m) Prior Year Summarized Comparative Information

The 2025 consolidated statements of activities and functional expenses are presented with 2024 summarized comparative information in total but not by net asset class and functional classification, respectively. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with CNEWA's consolidated financial statements for the year ended December 31, 2024, from which the 2024 summarized comparative totals were derived.

(n) Functional Allocation of Expenses

The costs of providing the various programs and other activities of CNEWA have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Allocations of spending are distinctly labeled as program services and supporting services. Program services include costs that are specific to our programs. Support services are costs that are required to facilitate the agency's mission and program functions. The bases for allocations are:

Cost	Basis
Salaries, benefits, taxes, and travel	Time and effort spent
Occupancy and depreciation	Square footage of space occupied

(3) Liquidity and Availability of Resources

The following schedule reflects CNEWA's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general expenditures within one year of the date of the consolidated statement of financial position because of contractual or donor-imposed restrictions, or internal special designation of funds. CNEWA manages its liquidity by developing and adopting annual operating and program budgets that provide sufficient funds for general and program expenditures. Reviews of all financial activities are done at the agency and department levels. Budget to actual comparisons are done to ensure prudent fiscal management. Adjustments are made to the budget plan as needed to ensure adequate liquidity. In the table below, financial assets available for general expenditures within one year includes reserves of $21,303,379 and $10,327,663 which are included within investments as of December 31, 2025 and 2024, respectively. Management uses its reserves to meet liquidity requirements, such as budget shortfalls. Although CNEWA does not intend to spend from its funds functioning as endowment other than amounts appropriated as part of its annual budget approval and appropriation process, amounts could be made available for general expenditures with board approval.

		2025	2024
Cash and cash equivalents	$	17,009,986	9,379,866
Contributions receivable		1,388,840	1,496,220
Accrued receivables		478,561	2,009,786
Investments		76,014,567	65,175,333
Trust investments held by others		3,033,260	2,709,011
Total financial assets at year-end		97,925,214	80,770,216
Less:			
Amounts not available to meet general expenditures within one year, due to:			
Trust investments held by others		(3,033,260)	(2,709,011)
Annuities investments		(3,423,771)	(3,773,367)
Investments designated for end-of-service liabilities		(3,695,088)	(3,179,660)
Investments used for collateral		—	(2,784,707)
Investments reported at NAV		(13,580,442)	(10,721,422)
Board-designated endowment		(12,893,753)	(11,700,259)
Restricted by donors in perpetuity		(12,990,511)	(12,770,363)
Restricted by donors for multiyear spending		(18,801,526)	(12,067,573)
Total amounts unavailable for general expenditures within one year		(68,418,351)	(59,706,362)
Total financial assets available for general expenditures within one year	$	29,506,863	21,063,854

(4) Investments

The following table presents the investments carried at fair value as of December 31, 2025 by the valuation hierarchy defined above:

		Total fair value	Level 1	Level 2
Investments:				
Cash and cash equivalents	$	3,708,981	3,708,981	—
U.S. debt securities		155,682	—	155,682
REIT stocks		318,343	318,343	—
Preferred stock		370,622	—	370,622
Common stock-domestic		21,787,309	21,787,309	—
Common stock-foreign		765,673	765,673	—
Mutual funds-domestic fixed income		13,903,528	13,903,528	—
Mutual funds-foreign fixed income		1,695,909	1,695,909	—
Mutual funds-domestic equity		19,600,435	19,600,435	—
Mutual funds-foreign equity		127,643	127,643	—
Total	$	62,434,125	61,907,821	526,304
Investments reported at NAV:				
Private equity fund of funds (a)	$	1,555,043		
Private debt (b)		12,025,399		
Total investments	$	76,014,567		

The following table presents the investments carried at fair value as of December 31, 2024 by the valuation hierarchy defined above:

		Total fair value	Level 1	Level 2
Investments:				
Cash and cash equivalents	$	4,961,178	4,961,178	—
U.S. debt securities		184,410	—	184,410
REIT stocks		372,317	372,317	—
Preferred stock		374,064	—	374,064
Common stock-domestic		19,332,937	19,332,937	—
Common stock-foreign		949,316	949,316	—
Mutual funds-domestic fixed income		6,495,014	6,495,014	—
Mutual funds-foreign fixed income		1,648,926	1,648,926	—
Mutual funds-domestic equity		18,298,679	18,298,679	—
Mutual funds-foreign equity		110,595	110,595	—
Total	$	52,727,436	52,168,962	558,474
Investments reported at NAV:				
Private equity fund of funds (a)	$	1,726,475		
Private debt (b)		10,721,422		
Total investments	$	65,175,333		

The following are investment objectives for investments valued at net asset value:

(a) This category includes investments in secondary purchases of various private equity funds. The fund-of-funds approach provides broad exposure to private equity. Purchasing private equity on the secondary market provides accelerated return on investment, since the funds are in later stages of their life cycle, discount pricing to intrinsic value and diversify across vintage years, strategies, geographies and managers.

(b) This category includes investments in the debt of leveraged, noninvestment grade middle market companies, with the principal objective of generating income with low volatility and principal protection.

Trust investments held by others are all Level 3 in the fair value hierarchy.

Changes in Level 3 trust investments during the years ended December 31, 2025 and 2024 were comprised of the following activities:

		2025	2024
Beginning balance	$	2,709,011	2,526,025
Net unrealized gain		324,249	182,986
Ending balance	$	3,033,260	2,709,011

The components of investment return, net for the years ended December 31, 2025 and 2024 are as follows:

		2025	2024
Interest and dividends	$	3,303,975	2,719,608
Net appreciation in fair value of investments		3,993,587	5,820,609
Net appreciation in fair value of trust held by others		324,249	182,986
Investment expenses		(302,527)	(243,979)
	$	7,319,284	8,479,224

(5) Fixed Assets, Net

At December 31, 2025 and 2024, the carrying values and estimated useful lives of fixed assets were as follows:

	Useful life (years)		2025	2024
Land	N/A	$	—	3,250,000
Building and other real property	30		282,271	4,555,372
Leasehold improvements	20		712,951	583,941
Furniture	10		493,223	185,124
Vehicles and equipment	10		1,073,427	1,085,586
			2,561,872	9,660,023
Accumulated depreciation and amortization			(1,490,146)	(3,334,457)
		$	1,071,726	6,325,566

(6) Annuities Payable

Invested assets pertaining to annuity programs are maintained in segregated accounts in compliance with legislated requirements mandated by the laws of the states of California and New York for annuity contracts outstanding.

U.S. generally accepted accounting principles requires the use of mortality assumptions that reflects liability recognizing the life expectancy as of each reporting period. The 2012 Individual Annuity Reserve Table (2012 IAR Table) is used to determine that liability. Additional annuity liability has been recognized and is included in annuities payable.

Information pertaining to annuity-related assets and liabilities at December 31, 2025 and 2024 is as follows:

		2025		2024	
		California	**New York**	**California**	**New York**
Annuity investments	$	306,418	4,269,616	348,466	4,438,772
Cash and cash equivalents		47,965	185,651	33,251	102,160
Total annuity fund assets	$	354,383	4,455,267	381,717	4,540,932
Annuities payable	$	262,297	2,400,959	275,644	2,664,708
Other payables		16,084	114,575	15,560	116,599
Total annuity fund payables	$	278,381	2,515,534	291,204	2,781,307
Jurisdictional minimum and additional required reserves	$	—	629,856	—	700,856
Excess fund balance		76,002	1,309,877	90,513	1,058,767
Total annuity net assets	$	76,002	1,939,733	90,513	1,759,623

In accordance with the California Insurance Code, Section 11521, 50% of annuity funds are invested in Individual U.S. treasury securities and the remaining 50% are invested according to CNEWA investment policies. As defined in the New York State Estates, Powers and Trusts Law, Section 11-2.3, assets are invested in accordance with the "prudent investor" standard.

(7) Note Payable

On July 1, 2010, CNEWA entered into an agreement with the Parish Assistance Corporation of the Archdiocese of New York, a related party, for a loan in the amount of $4,000,000, with a fixed interest rate of 5% for 30 years, to July 1, 2040. The purpose of the loan was to provide a residence for certain religious personnel. The loan was secured by the property. In 2025, CNEWA sold the property and paid off the loan.

(8) Pension Plan

Substantially all of CNEWA's New York office employees participate in the noncontributory pension and retirement plan of the Archdiocese of New York (the Plan) which covers salaried lay employees of any Roman Catholic parish, institute, or other organization within the Archdiocese of New York which elects to participate in the Plan. The Archdiocese of New York established the Plan and the participating employers have agreed to make contributions to the Plan sufficient to provide the Plan with assets from which to pay pension and death benefits. Employees of participating employers become eligible for participation in the Plan upon completion of three years of continuous service, provided the employee is age 25 at nearest birth date and scheduled to work at least 20 hours a week. Employees who terminate employment with five or more years of vesting service are entitled to benefits commencing at the normal retirement date or commencing on or after age 50 with at least 10 years of vesting service, whichever comes first. The Plan is a "church plan" within the meaning of Section 414(e) of the Internal Revenue Code and has elected not to participate in the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is considered a multiemployer pension plan. The risks of participating in a multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating entity stops contributing to the multiemployer plan, the unfunded obligations of the Plan may be borne by the remaining participating entities.
- If an entity petitions to stop participating in the multiemployer plan, the entity may be required to pay the Plan a withdrawal liability based on the funded status of the Plan.

CNEWA's retirement plan expense is equal to the required annual contributions to the Plan, which is calculated by the Archdiocese of New York based on actuarially determined methods. Pension expense for the years ended December 31, 2025 and 2024 was $293,823 and $233,466, respectively.

The most recent Pension Protection Act (PPA) zone status is yellow and red for 2025 and 2024, respectively, which is for the plan years ended December 31, 2024 and 2023. The zone status is based on information that CNEWA received from the Plan's sponsor and, as required by the PPA, is certified by the Plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.

The following tables provide certain financial information of the Plan as of December 31, 2024 (the date of the latest audited financial statements) and December 31, 2023:

Legal name and plan number	Plan EIN	Actuarial present value of accumulated plan benefits	Net assets available for plan benefits	Funded status	Total 2024 employers' contributions
Archdiocese of NY 1705	25-926855	$ 1,650,891,899	1,121,772,039	68 %	$ 50,942,905

Legal name and plan number	Plan EIN	Actuarial present value of accumulated plan benefits	Net assets available for plan benefits	Funded status	Total 2023 employers' contributions
Archdiocese of NY 1705	25-926855	$ 1,651,757,776	1,092,590,140	66 %	$ 44,329,207

The accumulated plan benefits and net assets available for plan benefits of the Plan are not reflected in the accompanying consolidated financial statements of CNEWA. The Archdiocese of New York has the right to change or terminate the Plan. If the Plan were to terminate, the net assets would be distributed to the exclusive benefit of the participating employees.

(9) Leases

On June 27, 2024, CNEWA entered into an operating lease agreement for its New York office. The lease commenced in February 2025 and expires in October 2048. The lease agreement provides for a rent-free period from February 2025 through November 2026. The total value of the rent concession of $726,046 is recognized on a straight-line basis over the lease term and is recorded as a reduction of the operating lease right-of-use ("ROU") asset.

Operating leases with lease terms greater than one year are recognized as operating lease right-of-use assets and corresponding operating lease liabilities in the consolidated statement of financial position.

In determining the lease term, the Organization considered the likelihood of exercising renewal and termination options and concluded that it is not reasonably certain that such options will be exercised. Accordingly, renewal periods have not been included in the measurement of the lease liabilities and ROU assets.

For the year ended December 31, 2025, operating lease cost was $153,163.

Future minimum lease payments under the operating lease as of December 31, 2025, are as follows:

Year Ending December 31		Lease Payments
2026	$	24,526
2027		294,317
2028		294,317
2029		294,317
2030		336,308
Thereafter		7,864,793
Total lease payments		9,108,578
Less present value of discount (0.36%)		3,693,927
Total lease liability	$	5,414,651

The CNEWA offices in Addis Ababa, Amman, Asmara, Ernakulam, Jerusalem, and Ottawa have lease agreements renewable on an annual basis. Rent expense under these agreements for the years ended December 31, 2025 and 2024 was $132,995 and $136,517, respectively.

(10) Net Assets

Net assets with donor restrictions are comprised and restricted for the following purposes at December 31, 2025 and 2024:

		2025	2024
Accompanying the church	$	13,777,803	10,697,280
Responding to human needs		4,348,093	4,442,353
Multipurpose		18,031,574	14,243,012
	$	36,157,470	29,382,645

Net assets with donor restrictions are comprised and restricted in perpetuity, subject to spending policy for the following purposes at December 31, 2025 and 2024:

		2025	2024
Accompanying the church	$	5,347,320	5,339,566
Responding to human needs		1,753,145	1,689,303
Multipurpose		5,890,046	5,741,494
	$	12,990,511	12,770,363
Total net assets with donor restrictions	$	49,147,981	42,153,008

(11) Endowment Funds

CNEWA's endowment consists of 50 funds and include both donor-established restricted endowment funds and funds designated by the board of trustees to be held as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to be held as endowments, are classified and reported based on the absence or existence of donor-imposed restrictions.

Based on CNEWA's interpretation of the New York Prudent Management of Institutional Funds Act (NYPMIFA), relevant accounting principles and absent explicit donor stipulations to the contrary, CNEWA classifies as perpetual restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent perpetual gifts to the endowment, and (c) accumulations to the endowment made in accordance with the directives of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund is classified as net assets with donor restrictions until appropriated for expenditure to restricted purposes in a manner consistent with the standard of prudence prescribed by NYPMIFA.

CNEWA has interpreted NYPMIFA to allow the spending of income and gains on investments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity. Civil law allows CNEWA to appropriate and spend such income and gains as is prudent, considering such factors as CNEWA's long – and short-term needs, present and anticipated financial requirements, expected total return on investments, price-level trends and general economic conditions.

Annual spending authorizations from endowment funds are based on individual fund policies. Fund policies adhere to specific intentions of the donors. Such intentions can be spending purposes and/or reinvestment of earnings. In addition, CNEWA has a spending policy which allows an appropriation of up to 5% of the value of the endowment when the return on the endowment in any given year is favorable. The calculation is performed and the withdrawal request is proposed to the President for approval.

The goal of CNEWA's endowment investment management is to maximize long-term total return through a combination of income and capital appreciation in a prudent manner consistent with sound investment practice. To achieve this goal, the endowment portfolio is divided into growth and fixed income components.

(Continued)

CNEWA's Board of Trustees has designated certain net assets without donor-imposed restrictions to function as endowments, which are adjusted periodically for inflation. Income earned on these net assets may be expended for the purposes designated by the Board of Trustees. At December 31, 2025 and 2024, these net assets for designated purposes consisted of the following:

		2025	2024
Family and needy child assistance funds	$	4,835,155	4,387,594
Novice and professed religious formation funds		2,578,743	2,340,044
Seminarian and clergy formation funds		3,223,466	2,925,093
Pastoral and missionary projects funds		1,934,048	1,755,024
Educational and ecumenical activities funds		322,341	292,504
	$	12,893,753	11,700,259

There were no underwater endowment funds for the year ended December 31, 2025 or 2024. The following tables present the changes in CNEWA's donor-established perpetual endowment funds and funds designated by the Board of Trustees to be held as endowments for the years ended December 31, 2025 and 2024:

2025		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	11,700,259	20,095,075	31,795,334
Net investment return		1,255,652	1,908,292	3,163,944
Contributions		—	15,831	15,831
Currency adjustment		—	50,348	50,348
Disbursements and transfers		(62,158)	(195,677)	(257,835)
Net assets, end of year	$	12,893,753	21,873,869	34,767,622
Board-designated endowment funds	$	12,893,753	—	12,893,753
Donor-restricted endowment funds		—	21,873,869	21,873,869
Total endowment funds	$	12,893,753	21,873,869	34,767,622

2024		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	10,332,527	18,525,484	28,858,011
Net investment return		1,367,732	2,212,115	3,579,847
Contributions		—	13,805	13,805
Currency adjustment		—	(91,891)	(91,891)
Disbursements and transfers		—	(564,438)	(564,438)
Net assets, end of year	$	11,700,259	20,095,075	31,795,334
Board-designated endowment funds	$	11,700,259	—	11,700,259
Donor-restricted endowment funds		—	20,095,075	20,095,075
Total endowment funds	$	11,700,259	20,095,075	31,795,334

(12) Program Services Expenses

The following tables summarize the composition of certain program services expense categories for the years ended December 31, 2025 and 2024:

		2025	2024
Accompanying the church:			
Forming church leadership	$	2,996,337	2,963,556
Fortify local church		3,368,628	3,716,216
Assist the Holy See		750,000	750,000
Advance studies for clergy and religious		47,600	34,000
Scholarships for priests and religious		75,000	75,000
	$	7,237,565	7,538,772

		2025	2024
Responding to human needs:			
Emergency relief	$	2,704,053	3,379,654
Child care initiatives		2,985,061	3,764,810
Care for the marginalized		3,778,133	3,880,652
Healthcare programs		1,239,380	1,579,494
Sustainability programs		742,030	655,657
	$	11,448,657	13,260,267

		2025	2024
Public awareness:			
Print publications	$	356,524	136,647
Support public awareness programs		1,499,763	1,635,018
	$	1,856,287	1,771,665

(13) Subsequent Events

CNEWA has evaluated its December 31, 2025 financial statements for subsequent events through June 29, 2026, the date the consolidated financial statements were available to be issued. CNEWA determined that there were no items to disclose.