KPMG

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Financial Statements

December 31, 2024

(With Summarized Comparative Financial Information as of and for the year ended December 31, 2023)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

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, 2024, 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, 2024, 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 2023 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated June 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 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 2, 2025

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Financial Position

December 31, 2024
(with comparative amounts as of December 31, 2023)

Assets		**2024**	**2023**
Cash and cash equivalents	$	9,379,866	11,982,511
Contributions receivable		1,496,220	1,801,162
Accrued receivables and prepaid expenses		2,009,786	635,014
Investments (notes 4 and 6)		65,175,333	59,379,707
In-kind goods		17,475	17,475
Trust investments held by others (note 4)		2,709,011	2,526,025
Fixed assets, net (notes 5 and 7)		6,325,566	6,437,828
Total assets	$	87,113,257	82,779,722
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	1,433,248	1,130,319
Actuarial liability for annuities payable (note 6)		2,940,352	3,174,415
Notes payable (note 7)		2,784,707	2,900,032
End-of-service liabilities		3,179,660	3,151,027
Total liabilities		10,337,967	10,355,793
Net assets (note 11):			
Without donor restrictions:			
Undesignated		19,381,164	16,449,400
Designated		11,700,259	10,332,527
Net investment in plant		3,540,859	3,537,796
Total net assets without donor restrictions		34,622,282	30,319,723
With donor restrictions (note 10)		42,153,008	42,104,206
Total net assets		76,775,290	72,423,929
Total liabilities and net assets	$	87,113,257	82,779,722

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Activities

Year ended December 31, 2024
(with summarized comparative amounts for the year ended December 31, 2023)

	Without donor restrictions						
	Undesignated	Designated	Net invest in plant	Total	With donor restrictions	2024 Total	2023 Total
Operating revenue, gains, and other support:							
Contributions	$ 7,493,499	—	—	7,493,499	5,913,992	13,407,491	17,133,132
Grants from funding agencies	90,000	—	—	90,000	6,267,340	6,357,340	6,020,728
Collections	1,435,315	—	—	1,435,315	—	1,435,315	1,380,802
Legacies, bequests, and trusts	2,586,025	—	—	2,586,025	87,608	2,673,633	1,962,445
Investment return, net (note 4)	2,593,374	672,449	—	3,265,823	1,510,782	4,776,605	602,374
In-kind contributions	—	—	—	—	—	—	17,475
Contributed services	125,281	—	—	125,281	—	125,281	125,281
	14,323,494	672,449	—	14,995,943	13,779,722	28,775,665	27,242,237
Net assets released from restrictions	14,559,767	—	—	14,559,767	(14,559,767)	—	—
Total operating revenue, gains, and other support	28,883,261	672,449	—	29,555,710	(780,045)	28,775,665	27,242,237
Operating expenses:							
Program services (note 12):							
Accompanying the church	7,523,597	—	15,175	7,538,772	—	7,538,772	7,039,807
Responding to human needs	13,234,015	—	26,252	13,260,267	—	13,260,267	13,145,676
Public awareness	1,761,395	—	10,270	1,771,665		1,771,665	1,735,440
Total program services	22,519,007	—	51,697	22,570,704	—	22,570,704	21,920,923
Support services:							
Fundraising	2,192,196	—	12,894	2,205,090	—	2,205,090	2,384,552
Management and general	2,458,816	—	133,946	2,592,762	—	2,592,762	2,488,420
Total support services	4,651,012	—	146,840	4,797,852	—	4,797,852	4,872,972
Total expenses	27,170,019	—	198,537	27,368,556	—	27,368,556	26,793,895
Increase (decrease) in net assets before nonoperating activities	1,713,242	672,449	(198,537)	2,187,154	(780,045)	1,407,109	448,342
Nonoperating activities:							
Acquisition of fixed assets	(203,865)	—	203,865	—	—	—	—
Unrealized and other long term gain on investments (note 4)	1,483,089	695,283	—	2,178,372	1,524,247	3,702,619	6,242,745
Change in value of annuity obligations	(202,882)	—	—	(202,882)	—	(202,882)	(150,005)
Foreign currency (loss) gain	(87,261)	—	(2,265)	(89,526)	(465,959)	(555,485)	350,178
Transfers between net assets	229,441	—	—	229,441	(229,441)	—	—
Reversal of impairment loss	—	—	—	—	—	—	752,043
Increase in net assets	2,931,764	1,367,732	3,063	4,302,559	48,802	4,351,361	7,643,303
Net assets at beginning of year	16,449,400	10,332,527	3,537,796	30,319,723	42,104,206	72,423,929	64,780,626
Net assets at end of year	$ 19,381,164	11,700,259	3,540,859	34,622,282	42,153,008	76,775,290	72,423,929

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Functional Expenses

Year ended December 31, 2024
(with summarized comparative amounts for the year ended December 31, 2023)

	Program services				Support services				
	Accompanying the church	**Responding to human needs**	**Public awareness**	**Total**	**Fundraising**	**Management and general**	**Total**	**2024 Total**	**2023 Total**
Awards and grants:									
Subsidies	$ 1,854,028	856,627	—	2,710,655	—	—	—	2,710,655	2,764,909
Project grants	4,167,554	9,446,111	—	13,613,665	—	—	—	13,613,665	13,340,669
Special awards	9,790	2,559	—	12,349	—	—	—	12,349	13,034
Total awards and grants	6,031,372	10,305,297	—	16,336,669	—	—	—	16,336,669	16,118,612
Operating expenses:									
Salaries and related expenses:									
Salaries	674,137	1,524,194	731,775	2,930,106	726,864	975,532	1,702,396	4,632,502	4,713,563
Employee benefits	222,176	509,259	204,079	935,514	211,423	341,194	552,617	1,488,131	1,384,411
Payroll taxes	37,288	88,574	48,953	174,815	49,510	71,350	120,860	295,675	244,923
Total salaries and related expenses	933,601	2,122,027	984,807	4,040,435	987,797	1,388,076	2,375,873	6,416,308	6,342,897
Other operating expenses:									
Professional fees and services	145,998	215,349	242,491	603,838	255,624	339,985	595,609	1,199,447	936,905
Occupancy (note 9)	121,407	195,624	111,937	428,968	142,604	280,919	423,523	852,491	802,737
Consumable supplies	6,461	12,637	3,054	22,152	5,425	8,109	13,534	35,686	53,471
Telephone and cable	17,227	33,094	16,499	66,820	22,012	22,442	44,454	111,274	111,940
Printing	39,783	3,832	148,127	191,742	350,621	7,108	357,729	549,471	713,437
Postage and shipping	35,460	37,313	102,055	174,828	163,360	25,387	188,747	363,575	363,181
Travel	43,353	92,643	30,465	166,461	37,880	26,513	64,393	230,854	174,684
Insurance	22,231	38,853	14,554	75,638	20,250	19,674	39,924	115,562	107,616
Banking services	8,683	22,702	2,586	33,971	4,356	131,193	135,549	169,520	160,897
Equipment and software maintenance	57,631	83,151	49,330	190,112	89,671	34,125	123,796	313,908	172,514
Depreciation and amortization	15,175	26,252	10,270	51,697	12,894	133,947	146,841	198,538	193,348
Other	60,390	71,493	55,490	187,373	112,596	175,284	287,880	475,253	541,656
Total other operating expenses	573,799	832,943	786,858	2,193,600	1,217,293	1,204,686	2,421,979	4,615,579	4,332,386
Total operating expenses	1,507,400	2,954,970	1,771,665	6,234,035	2,205,090	2,592,762	4,797,852	11,031,887	10,675,283
Total expenses	$ 7,538,772	13,260,267	1,771,665	22,570,704	2,205,090	2,592,762	4,797,852	27,368,556	26,793,895

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Cash Flows

Year ended December 31, 2024
(with comparative amounts for the year ended December 31, 2023)

		2024	2023
Cash flows from operating activities:			
Increase in net assets	$	4,351,361	7,643,303
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization		198,538	193,348
Net appreciation in fair value of investments		(5,820,609)	(4,816,115)
Contributions received for long-term investments		(13,805)	(23,079)
Change in value of annuity obligations		202,882	150,005
Reversal of impairment gain on investments		—	(145,486)
In-kind goods		—	(17,475)
Changes in operating assets and liabilities:			
Contributions receivable		304,942	(491,855)
Accrued receivables and prepaid expenses		(1,374,772)	(124,524)
Trust investments held by others		(182,986)	(254,132)
Accounts payable and accrued expenses		302,929	149,385
End-of-service liabilities		28,633	242,231
Net cash (used in) provided by operating activities		(2,002,887)	2,505,606
Cash flows from investing activities:			
Purchase of investments		(20,354,738)	(20,543,372)
Proceeds from sale of investments		22,906,869	20,340,154
Addition to fixed assets		(86,276)	(51,715)
Net cash provided by (used in) investing activities		2,465,855	(254,933)
Cash flows from financing activities:			
Contributions received for long-term investments		13,805	23,079
Additions to gift annuity contracts		—	10,000
Payments of annuity obligations		(436,945)	(464,341)
Repayment of note payable		(115,325)	(109,705)
Net cash used in financing activities		(538,465)	(540,967)
Net (decrease) increase in cash, cash equivalents, and restricted cash		(75,497)	1,709,706
Cash, cash equivalents, and restricted cash at beginning of year		14,416,541	12,706,835
Cash, cash equivalents, and restricted cash at end of year	$	14,341,044	14,416,541
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	$	9,379,866	11,982,511
Restricted cash included in investments		4,961,178	2,434,030
Cash, cash equivalents, and restricted cash	$	14,341,044	14,416,541
Supplemental disclosures:			
Interest paid	$	142,410	153,304
Reversal of impairment loss on cash equivalents		—	(606,557)
Reversal of impairment loss on investments		—	(145,486)

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, 2024 or 2023.

(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

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.

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(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) 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.

(g) 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.

(h) 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 best estimates and 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.

(i) 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.

(j) 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.

(k) 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 gains (losses) on investments; long term gains (losses) on investments; the change in value of the annuity obligations; foreign currency gains (losses); impairment losses; as well as transfers between net assets categories primarily representing movement of investment income based on donor wishes, which are considered nonoperating activities.

(l) Prior Year Summarized Comparative Information

The 2024 consolidated statements of activities and functional expenses are presented with 2023 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, 2023, from which the 2023 summarized comparative totals were derived.

(m) 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, 2024 and 2023, 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 $10,327,663 and $9,398,093 which are included within investments as of December 31, 2024 and 2023, 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

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appropriated as part of its annual budget approval and appropriation process, amounts could be made available for general expenditures with board approval.

	2024	2023
Cash and cash equivalents	$ 9,379,866	11,982,511
Contributions receivable	1,496,220	1,801,162
Accrued receivables	2,009,786	635,014
Investments	65,175,333	59,379,707
Trust investments held by others	2,709,011	2,526,025
Total financial assets at year-end	80,770,216	76,324,419
Less:		
Amounts not available to meet general expenditures within one year, due to:		
Trust investments held by others	(2,709,011)	(2,526,025)
Annuities investments	(3,773,367)	(4,220,006)
Investments designated for end-of-service liabilities	(3,179,660)	(3,151,027)
Investments used for collateral	(2,784,707)	(2,900,032)
Investments reported at NAV	(10,721,422)	(9,848,783)
Board-designated endowment	(11,700,259)	(10,332,527)
Restricted by donors in perpetuity	(12,770,363)	(12,373,558)
Restricted by donors for multiyear spending	(12,067,573)	(11,567,060)
Total amounts unavailable for general expenditures within one year	(59,706,362)	(56,919,018)
Total financial assets available for general expenditures within one year	$ 21,063,854	19,405,401

(4) Investments

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 equity funds-international real estate (b)	—		
Private debt (c)	10,721,422		
Total investments	$ 65,175,333		

The following table presents the investments carried at fair value as of December 31, 2023 by the valuation hierarchy defined above:

		Total fair value	Level 1	Level 2
Investments:				
Cash and cash equivalents	$	2,434,030	2,434,030	—
U.S. debt securities		219,263	—	219,263
REIT stocks		322,112	322,112	—
Preferred stock		408,003	—	408,003
Common stock-domestic		18,200,471	18,200,471	—
Common stock-foreign		952,967	952,967	—
Mutual funds-domestic fixed income		5,947,150	5,947,150	—
Mutual funds-foreign fixed income		850,602	850,602	—
Mutual funds-domestic equity		18,267,732	18,267,732	—
Mutual funds-foreign equity		115,842	115,842	—
Total	$	47,718,172	47,090,906	627,266
Investments reported at NAV:				
Private equity fund of funds (a)	$	1,810,735		
Private equity funds-international real estate (b)		2,017		
Private debt (c)		9,848,783		
Total investments	$	59,379,707		

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 international real estate private equity managers who seek to invest in a diversified portfolio of international real estate assets, real estate operating companies, distressed or undervalued credits and high-yield structures.

(c) 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, 2024 and 2023 were comprised of the following activities:

		2024	2023
Beginning balance	$	2,526,025	2,271,893
Net unrealized gain		182,986	254,132
Ending balance	$	2,709,011	2,526,025

The components of investment return, net for the years ended December 31, 2024 and 2023 are as follows:

		2024	2023
Interest and dividends	$	2,719,608	1,961,753
Net appreciation in fair value of investments		5,820,609	4,816,115
Net appreciation in fair value of trust held by others		182,986	254,132
Investment expenses		(243,979)	(186,881)
	$	8,479,224	6,845,119

(5) Fixed Assets, Net

At December 31, 2024 and 2023, the carrying values and estimated useful lives of fixed assets were as follows:

	Useful life (years)		2024	2023
Land	N/A	$	3,250,000	3,250,000
Building and other real property	30		4,555,372	4,555,372
Leasehold improvements	20		583,941	583,942
Furniture	10		185,124	185,124
Vehicles and equipment	10		1,085,586	1,035,529
			9,660,023	9,609,967
Accumulated depreciation and amortization			(3,334,457)	(3,172,139)
		$	6,325,566	6,437,828

(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, 2024 and 2023 is as follows:

		2024		2023	
		California	**New York**	**California**	**New York**
Annuity investments	$	348,466	4,438,772	394,488	4,529,300
Cash and cash equivalents		33,251	102,160	16,707	133,058
Total annuity fund assets	$	381,717	4,540,932	411,195	4,662,358
Annuities payable	$	275,644	2,664,708	300,254	2,874,161
Other payables		15,560	116,599	20,082	271,229
Total annuity fund payables	$	291,204	2,781,307	320,336	3,145,390
Jurisdictional minimum and additional required reserves	$	—	700,856	—	754,280
Excess fund balance		90,513	1,058,767	90,859	762,688
Total annuity net assets	$	90,513	1,759,623	90,859	1,516,968

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 this loan was to provide a residence for certain religious personnel. The loan is secured by the property purchased. Loan payments of principal and interest are as follows:

		Principal	Interest	Total
Years:				
2025	$	121,161	136,513	257,674
2026		127,360	130,314	257,674
2027		133,876	123,798	257,674
2028		140,725	116,949	257,674
2029		147,925	109,749	257,674
Thereafter		2,113,660	613,389	2,727,049
	$	2,784,707	1,230,712	4,015,419

(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, 2024 and 2023 was $233,466 and $221,690, respectively.

The most recent Pension Protection Act (PPA) zone status is red and yellow for 2024 and 2023, respectively, which is for the plan years ended December 31, 2022 and 2021. 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, 2023 (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 2022 employers' contributions
Archdiocese of NY 1705	25-926855	$ 1,651,776	1,092,590,140	66 %	$ 44,329,207

Legal name and plan number	Plan EIN	Actuarial present value of accumulated plan benefits	Net assets available for plan benefits	Funded status	Total 2021 employers' contributions
Archdiocese of NY 1705	25-926855	$ 1,650,486,723	1,058,899,067	64 %	$ 42,698,863

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) Leased Facilities

CNEWA's New York office leases space, on a month-to-month basis, in New York from the Ecclesiastical Assistance Corporation of the Archdiocese of New York, a related party. Rent expense for the years ended December 31, 2024 and 2023 was $653,260 and $631,092, respectively.

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, 2024 and 2023 was $136,517 and $133,001, respectively.

On February 10, 2025, CNEWA commenced a new lease agreement for office space at 220 East 42nd Street, 27th Floor, New York, NY 10017. The lease has a term of 23 years, with an average monthly lease payment of $34,000. This results in total future minimum lease payments of approximately $8.1 million.

(10) Net Assets

Net assets with donor restrictions are comprised and restricted for the following purposes at December 31, 2024 and 2023:

		2024	2023
Accompanying the church	$	10,697,280	9,406,284
Responding to human needs		4,442,353	5,287,096
Multipurpose		14,243,012	15,037,268
	$	29,382,645	29,730,648

Net assets with donor restrictions are comprised and restricted in perpetuity, subject to spending policy for the following purposes at December 31, 2024 and 2023:

		2024	2023
Accompanying the church	$	5,339,566	5,210,973
Responding to human needs		1,689,303	1,677,656
Multipurpose		5,741,494	5,484,929
	$	12,770,363	12,373,558
Total net assets with donor restrictions	$	42,153,008	42,104,206

(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.

(Continued)

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 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.

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, 2024 and 2023, these net assets for designated purposes consisted of the following:

		2024	2023
Family and needy child assistance funds	$	4,387,594	3,874,695
Novice and professed religious formation funds		2,340,044	2,066,498
Seminarian and clergy formation funds		2,925,093	2,583,159
Pastoral and missionary projects funds		1,755,024	1,549,864
Educational and ecumenical activities funds		292,504	258,311
	$	11,700,259	10,332,527

There were no underwater endowment funds for the year ended December 31, 2024 or 2023. 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, 2024 and 2023:

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

2023		Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	$	9,327,195	17,165,316	26,492,511
Net investment return		1,005,332	1,716,905	2,722,237
Contributions		—	23,079	23,079
Currency adjustment		—	24,046	24,046
Disbursements and transfers		—	(403,863)	(403,863)
Net assets, end of year	$	10,332,527	18,525,483	28,858,010
Board-designated endowment funds	$	10,332,527	—	10,332,527
Donor-restricted endowment funds		—	18,525,484	18,525,484
Total endowment funds	$	10,332,527	18,525,484	28,858,011

(Continued)

(12) Program Services Expenses

The following tables summarize the composition of certain program services expense categories for the years ended December 31, 2024 and 2023:

		2024	2023
Accompanying the church:			
Forming church leadership	$	2,963,556	2,545,172
Fortify local church		3,716,216	3,597,031
Assist the Holy See		750,000	755,354
Advance studies for clergy and religious		34,000	42,250
Scholarships for priests and religious		75,000	100,000
	$	7,538,772	7,039,807

		2024	2023
Responding to human needs:			
Emergency relief	$	3,379,654	4,609,430
Child care initiatives		3,764,810	3,048,651
Care for the marginalized		3,880,652	3,812,213
Healthcare programs		1,579,494	1,323,285
Sustainability programs		655,657	352,097
	$	13,260,267	13,145,676

		2024	2023
Public awareness:			
Print publications	$	136,647	195,223
Support public awareness programs		1,635,018	1,540,217
	$	1,771,665	1,735,440

(13) Subsequent Events

CNEWA has evaluated its December 31, 2024 financial statements for subsequent events through June 2, 2025, the date the consolidated financial statements were available to be issued. CNEWA determined that there were no additional items to disclose.