CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Financial Statements

December 31, 2023

(With Summarized Comparative Financial Information
as of and for the year ended December 31, 2022)

(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:

Report on the Audit of the Consolidated Financial Statements

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, 2023, 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, 2023, and the results of its operations 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 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 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 13, 2024

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Financial Position

December 31, 2023
(with comparative amounts as of December 31, 2022)

Assets		2023	2022
Cash and cash equivalents	$	11,982,511	10,749,072
Contributions receivable		1,801,162	1,309,307
Accrued receivables and prepaid expenses		635,014	510,490
Investments (notes 4 and 6)		59,379,707	53,738,621
In-kind goods		17,475	—
Trust investments held by others (note 4)		2,526,025	2,271,893
Fixed assets, net (notes 5 and 7)		6,437,828	6,579,461
Total assets	$	82,779,722	75,158,844
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	1,130,319	980,934
Actuarial liability for annuities payable (note 6)		3,174,415	3,478,751
Notes payable (note 7)		2,900,032	3,009,737
End-of-service liabilities		3,151,027	2,908,796
Total liabilities		10,355,793	10,378,218
Net assets (note 11):			
Without donor restrictions:			
Undesignated		16,449,400	14,737,909
Designated		10,332,527	9,327,195
Net investment in plant		3,537,796	3,569,724
Total net assets without donor restrictions		30,319,723	27,634,828
With donor restrictions (note 10)		42,104,206	37,145,798
Total net assets		72,423,929	64,780,626
Total liabilities and net assets	$	82,779,722	75,158,844

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Activities

Year ended December 31, 2023
(with summarized comparative amounts for the year ended December 31, 2022)

	Without donor restrictions						
	Undesignated	**Designated**	**Net invest in plant**	**Total**	**With donor restrictions**	**2023 Total**	**2022 Total**
Operating revenue, gains, and other support:							
Contributions	$ 7,722,443	—	—	7,722,443	9,410,689	17,133,132	19,535,000
Grants from funding agencies	1,250	—	—	1,250	6,019,478	6,020,728	7,643,025
Collections	1,380,802	—	—	1,380,802	—	1,380,802	1,279,923
Legacies, bequests, and trusts	1,476,627	—	—	1,476,627	485,818	1,962,445	2,687,650
Investment return, net (note 4)	(69,636)	178,408	—	108,772	493,602	602,374	761,715
Contributed in kind	17,475	—	—	17,475	—	17,475	2,900
Contributed services	125,281	—	—	125,281	—	125,281	125,281
	10,654,242	178,408	—	10,832,650	16,409,587	27,242,237	32,035,494
Net assets released from restrictions	14,120,331	—	—	14,120,331	(14,120,331)	—	—
Total operating revenue, gains, and other support	24,774,573	178,408	—	24,952,981	2,289,256	27,242,237	32,035,494
Operating expenses:							
Program services (note 12):							
Accompanying the church	7,025,050	—	14,757	7,039,807	—	7,039,807	6,698,526
Responding to human needs	13,121,101	—	24,575	13,145,676	—	13,145,676	17,945,227
Public awareness	1,726,108	—	9,332	1,735,440	—	1,735,440	1,569,550
Total program services	21,872,259	—	48,664	21,920,923	—	21,920,923	26,213,303
Support services:							
Fundraising	2,372,129	—	12,423	2,384,552	—	2,384,552	2,339,858
Management and general	2,356,160	—	132,260	2,488,420	—	2,488,420	2,676,431
Total support services	4,728,289	—	144,683	4,872,972	—	4,872,972	5,016,289
Total expenses	26,600,548	—	193,347	26,793,895	—	26,793,895	31,229,592
(Decrease) increase in net assets before nonoperating activities	(1,825,975)	178,408	(193,347)	(1,840,914)	2,289,256	448,342	805,902
Nonoperating activities:							
Acquisition of fixed assets	(157,298)	—	157,298	—	—	—	—
Unrealized and other long term gain (loss) on investments (note 4)	3,499,722	826,924	—	4,326,646	1,916,099	6,242,745	(8,262,511)
Change in value of annuity obligations	(150,005)	—	—	(150,005)		(150,005)	(151,907)
Foreign currency gain (loss)	73,927	—	4,121	78,048	272,130	350,178	(1,634,878)
Transfers between net assets	116,073	—	—	116,073	(116,073)	—	—
Reversal of impairment loss	155,047	—	—	155,047	596,996	752,043	1,416,743
Increase (decrease) in net assets	1,711,491	1,005,332	(31,928)	2,684,895	4,958,408	7,643,303	(7,826,651)
Net assets at beginning of year	14,737,909	9,327,195	3,569,724	27,634,828	37,145,798	64,780,626	72,607,277
Net assets at end of year	$ 16,449,400	10,332,527	3,537,796	30,319,723	42,104,206	72,423,929	64,780,626

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Functional Expenses

Year ended December 31, 2023
(with summarized comparative amounts for the year ended December 31, 2022)

	Program services				Support services				
	Accompanying the church	**Responding to human needs**	**Public awareness**	**Total**	**Fundraising**	**Management and general**	**Total**	**2023 Total**	**2022 Total**
Awards and grants:									
Subsidies	$ 1,813,850	951,059	—	2,764,909	—	—	—	2,764,909	2,736,511
Project grants	3,824,410	9,516,259	—	13,340,669	—	—	—	13,340,669	18,010,418
Special awards	6,852	6,182	—	13,034	—	—	—	13,034	20,903
Total awards and grants	5,645,112	10,473,500	—	16,118,612	—	—	—	16,118,612	20,767,832
Operating expenses:									
Salaries and related expenses:									
Salaries	697,112	1,507,384	732,056	2,936,552	794,631	982,380	1,777,011	4,713,563	4,437,429
Employee benefits	189,266	417,429	204,538	811,233	237,981	335,197	573,178	1,384,411	1,310,095
Payroll taxes	31,087	49,639	45,500	126,226	52,533	66,164	118,697	244,923	234,199
Total salaries and related expenses	917,465	1,974,452	982,094	3,874,011	1,085,145	1,383,741	2,468,886	6,342,897	5,981,723
Other operating expenses:									
Professional fees and services	84,831	123,805	212,906	421,542	283,073	232,290	515,363	936,905	1,176,441
Occupancy (note 9)	103,886	172,137	109,500	385,523	132,710	284,504	417,214	802,737	771,201
Consumable supplies	9,768	19,306	5,931	35,005	7,314	11,152	18,466	53,471	43,918
Telephone and cable	18,533	38,339	14,493	71,365	18,930	21,645	40,575	111,940	121,101
Printing	51,182	3,078	167,169	221,429	476,731	15,277	492,008	713,437	720,546
Postage and shipping	36,199	30,537	100,408	167,144	169,006	27,031	196,037	363,181	351,763
Travel	33,939	77,961	23,122	135,022	26,678	12,984	39,662	174,684	207,656
Insurance	20,863	37,870	13,552	72,285	17,709	17,622	35,331	107,616	98,257
Banking services	10,099	24,899	7,658	42,656	2,148	116,093	118,241	160,897	194,443
Equipment and software maintenance	39,318	63,142	24,979	127,439	35,802	9,273	45,075	172,514	147,564
Depreciation and amortization	14,758	24,575	9,332	48,665	12,423	132,260	144,683	193,348	196,591
Other	53,854	82,075	64,296	200,225	116,883	224,548	341,431	541,656	450,556
Total other operating expenses	477,230	697,724	753,346	1,928,300	1,299,407	1,104,679	2,404,086	4,332,386	4,480,037
Total operating expenses	1,394,695	2,672,176	1,735,440	5,802,311	2,384,552	2,488,420	4,872,972	10,675,283	10,461,760
Total expenses	$ 7,039,807	13,145,676	1,735,440	21,920,923	2,384,552	2,488,420	4,872,972	26,793,895	31,229,592

See accompanying notes to consolidated financial statements.

CATHOLIC NEAR EAST WELFARE ASSOCIATION

Consolidated Statement of Cash Flows

Year ended December 31, 2023
(with comparative amounts for the year ended December 31, 2022)

		2023	2022
Cash flows from operating activities:			
Increase (decrease) in net assets	$	7,643,303	(7,826,651)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization		193,348	196,591
Net (appreciation) depreciation in fair value of investments		(4,816,115)	9,027,349
Contributions received for long-term investments		(23,079)	(27,082)
Change in value of annuity obligations		150,005	151,907
Reversal of impairment gain on investments		(145,486)	(662,271)
In-kind goods		(17,475)	—
Changes in operating assets and liabilities:			
Contributions receivable		(491,855)	1,462,267
Accrued receivables and prepaid expenses		(124,524)	(297,141)
Trust investments held by others		(254,132)	531,754
Accounts payable and accrued expenses		149,385	(6,941)
End-of-service liabilities		242,231	220,951
Net cash provided by operating activities		2,505,606	2,770,733
Cash flows from investing activities:			
Purchase of investments		(20,543,372)	(23,602,451)
Proceeds from sale of investments		20,340,154	13,255,347
Addition to fixed assets		(51,715)	(51,509)
Net cash used in investing activities		(254,933)	(10,398,613)
Cash flows from financing activities:			
Contributions received for long-term investments		23,079	27,082
Additions to gift annuity contracts		10,000	25,000
Payments of annuity obligations		(464,341)	(504,805)
Repayment of note payable		(109,705)	(104,370)
Net cash used in financing activities		(540,967)	(557,093)
Net increase (decrease) in cash, cash equivalents, and restricted cash		1,709,706	(8,184,973)
Cash, cash equivalents, and restricted cash at beginning of year		12,706,835	20,891,808
Cash, cash equivalents, and restricted cash at end of year	$	14,416,541	12,706,835
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	$	11,982,511	10,749,072
Restricted cash included in investments		2,434,030	1,957,763
Cash, cash equivalents, and restricted cash	$	14,416,541	12,706,835
Supplemental disclosures:			
Interest paid	$	153,304	153,304
Reversal of impairment loss on cash equivalents		(606,557)	(754,472)
Reversal of impairment loss on investments		(145,486)	(662,271)

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, and registered under Section 6(1)(a) of the Foreign Contribution (Regulation) Act, 1976, by the Ministry of Home Affairs.
- **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, 2023 or 2022.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis. All significant 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 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

(Continued)

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, 2023 are expected to be collected in 2024.

(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.

(Continued)

(l) Prior Year Summarized Comparative Information

The 2023 consolidated statements of activities and functional expenses are presented with 2022 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, 2022, from which the 2022 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, 2023 and 2022, 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. Regular, monthly actual-to-budget comparison reporting at the department level and quarterly comparison reporting to actual and current budget occur. In addition, actual prior to current year comparisons are performed to evaluate outcomes. 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 $9,398,093 and $5,319,466 which are included within investments as of December 31, 2023 and 2022, 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.

	2023	2022
Cash and cash equivalents	$ 11,982,511	10,749,072
Contributions receivable	1,801,162	1,309,307
Accrued receivables	635,014	510,490
Investments	59,379,707	53,738,621
Trust investments held by others	2,526,025	2,271,893
Total financial assets at year-end	76,324,419	68,579,383
Less:		
Amounts not available to meet general expenditures within one year, due to:		
Trust investments held by others	(2,526,025)	(2,271,893)
Annuities investments	(4,220,006)	(4,443,881)
Investments designated for end-of-service liabilities	(3,151,027)	(2,908,796)
Investments used for collateral	(2,900,032)	(3,009,737)
Investments reported at NAV	(9,848,783)	(9,266,533)
Board-designated endowment	(10,332,527)	(9,327,195)
Restricted by donors in perpetuity	(12,373,558)	(12,355,102)
Restricted by donors for multiyear spending	(11,567,060)	(7,509,941)
Total amounts unavailable for general expenditures within one year	(56,919,018)	(51,093,078)
Total financial assets available for general expenditures within one year	$ 19,405,401	17,486,305

(Continued)

(4) Investments

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 table presents the investments carried at fair value as of December 31, 2022 by the valuation hierarchy defined above:

	Total fair value	Level 1	Level 2
Investments:			
Cash and cash equivalents	$ 1,957,763	1,957,763	—
U.S. debt securities	339,863	—	339,863
REIT stocks	583,527	583,527	—
Preferred stock	86,318	—	86,318
Common stock-domestic	16,109,582	16,109,582	—
Common stock-foreign	971,135	971,135	—
Mutual funds-domestic fixed income	4,523,011	4,523,011	—
Mutual funds-foreign fixed income	1,045,930	1,045,930	—
Mutual funds-domestic equity	16,637,373	16,637,373	—
Mutual funds-foreign equity	137,621	137,621	—
Total	42,392,123	$ 41,965,942	426,181
Investments reported at NAV:			
Private equity fund of funds (a)	2,077,804		
Private equity funds-international real estate (b)	2,161		
Private debt (c)	9,266,533		
Total investments	$ 53,738,621		

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, 2023 and 2022 were comprised of the following activities:

		2023	2022
Beginning balance	$	2,271,893	2,803,647
Net unrealized (loss) gain		254,132	(531,754)
Ending balance	$	2,526,025	2,271,893

The components of investment return, net for the years ended December 31, 2023 and 2022 are as follows:

		2023	2022
Interest and dividends	$	1,961,753	2,450,535
Net appreciation (depreciation) in fair value of investments		4,816,115	(9,206,513)
Net appreciation (depreciation) in fair value of trust held by others		254,132	(531,754)
Investment expenses		(186,881)	(213,064)
	$	6,845,119	(7,500,796)

(5) Fixed Assets, Net

At December 31, 2023 and 2022, the carrying values and estimated useful lives of fixed assets were as follows:

	Useful life (years)		2023	2022
Land	N/A	$	3,250,000	3,250,000
Building and other real property	30		4,555,372	4,555,372
Leasehold improvements	20		583,942	636,197
Furniture	10		185,124	200,025
Vehicles and equipment	10		1,035,529	1,185,230
			9,609,967	9,826,824
Accumulated depreciation and amortization			(3,172,139)	(3,247,363)
		$	6,437,828	6,579,461

(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, 2023 and 2022 is as follows:

		2023		2022	
		California	**New York**	**California**	**New York**
Annuity investments	$	394,488	4,529,300	380,547	3,177,926
Cash and cash equivalents		16,707	133,058	76,866	1,368,257
Total annuity fund assets	$	411,195	4,662,358	457,413	4,546,183
Annuities payable	$	300,254	2,874,161	329,767	3,148,984
Other payables		20,082	271,229	47,053	91,594
Total annuity fund payables	$	320,336	3,145,390	376,820	3,240,578
Jurisdictional minimum and additional required reserves	$	—	754,280	—	826,483
Excess fund balance		90,859	762,688	80,593	458,395
Total annuity net assets	$	90,859	1,516,967	80,593	1,284,878

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:				
2024	$	115,264	142,410	257,674
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
Thereafter		2,261,646	723,086	2,984,732
	$	2,900,032	1,373,070	4,273,102

(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 whichever comes first 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, 2023 and 2022 was $221,690 and $262,343, respectively.

The most recent Pension Protection Act (PPA) zone status is red and yellow for 2023 and 2022, 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, 2022 (the date of the latest audited financial statements) and December 31, 2021:

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	$ 1,650,486,723	1,058,899,067	64 %	$ 42,698,863

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	$ 1,667,081,619	1,287,178,261	77 %	$ 44,044,161

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, 2023 and 2022 was $631,092 and $609,732, 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, 2023 and 2022 was $133,001 and $101,516, respectively.

(10) Net Assets

Net assets with donor restrictions are comprised and restricted for the following purposes at December 31, 2023 and 2022:

		2023	2022
Accompanying the church	$	9,406,284	8,286,699
Responding to human needs		5,287,096	4,346,641
Multipurpose		15,037,268	12,157,356
	$	29,730,648	24,790,696

Net assets with donor restrictions are comprised and restricted in perpetuity, subject to spending policy for the following purposes at December 31, 2023 and 2022:

		2023	2022
Accompanying the church	$	5,210,973	5,265,154
Responding to human needs		1,677,656	1,619,819
Multipurpose		5,484,929	5,470,129
	$	12,373,558	12,355,102
Total net assets with donor restrictions	$	42,104,206	37,145,798

(11) Endowment Funds

CNEWA's endowment funds 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, 2023 and 2022, these net assets for designated purposes consisted of the following:

	2023	2022
Family and needy child assistance funds	$ 3,874,695	3,497,695
Novice and professed religious formation funds	2,066,498	1,865,431
Seminarian and clergy formation funds	2,583,159	2,331,828
Pastoral and missionary projects funds	1,549,864	1,399,065
Educational and ecumenical activities funds	258,311	233,176
	$ 10,332,527	9,327,195

There were no underwater endowment funds for the year ended December 31, 2023 or 2022. 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, 2023 and 2022:

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

2022		**Without donor restrictions**	**With donor restrictions**	**Total**
Endowment net assets, beginning of year	$	10,586,059	19,573,227	30,159,286
Net investment return		(1,258,864)	(1,870,569)	(3,129,433)
Contributions		—	27,082	27,082
Currency adjustment		—	(74,679)	(74,679)
Disbursements and transfers		—	(489,745)	(489,745)
Net assets, end of year	$	9,327,195	17,165,316	26,492,511
Board-designated endowment funds	$	9,327,195	—	9,327,195
Donor-restricted endowment funds		—	17,165,316	17,165,316
Total endowment funds	$	9,327,195	17,165,316	26,492,511

(12) Program Services Expenses

The following tables summarize the composition of certain program services expense categories for the years ended December 31, 2023 and 2022:

	2023	2022
Accompanying the church:		
Forming church leadership	$ 2,545,172	2,709,654
Fortify local church	3,597,031	3,162,604
Assist the Holy See	755,354	750,000
Advance studies for clergy and religious	42,250	26,268
Scholarships for priests and religious	100,000	50,000
	$ 7,039,807	6,698,526

	2023	2022
Responding to human needs:		
Emergency relief	$ 4,609,430	7,757,410
Child care initiatives	3,048,651	3,366,135
Care for the marginalized	3,812,213	3,909,705
Healthcare programs	1,323,285	2,387,544
Sustainability programs	352,097	524,433
	$ 13,145,676	17,945,227

	2023	2022
Public awareness:		
Print publications	$ 195,223	215,262
Support public awareness programs	1,540,217	1,354,288
	$ 1,735,440	1,569,550

(13) Subsequent Events

CNEWA has evaluated its December 31, 2023 financial statements for subsequent events through June 13, 2024, the date the consolidated financial statements were available to be issued. CNEWA determined that there were no items to disclose.