Archdiocesan Pastoral Center—Archdiocese of Chicago

Financial Statements as of and for the
Years Ended June 30, 2022 and 2021, and
Independent Auditor's Report

ARCHDIOCESAN PASTORAL CENTER—ARCHDIOCESE OF CHICAGO

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INDEPENDENT AUDITOR'S REPORT

His Eminence Cardinal Blase J.
Cupich Archbishop of Chicago:

Opinion

We have audited the financial statements of Archdiocesan Pastoral Center - Archdiocese of Chicago (the "Pastoral Center"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Pastoral Center as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pastoral Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pastoral Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pastoral Center's ability to continue as a going concern for a reasonable period of time.

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

Deloitte & Touche LLP

December 19, 2022

ARCHDIOCESAN PASTORAL CENTER-ARCHDIOCESE OF CHICAGO

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021
(Amounts in thousands)

	2022	2021
ASSETS		
CASH AND CASH EQUIVALENTS	$ 59,636	$ 48,433
RESTRICTED CASH	38,151	48,778
INVESTMENTS	522,588	487,151
RECEIVABLES:		
Loans to parishes and other religious organizations—net	8,561	11,590
Interest on loans to parishes and other religious organizations—net	353	965
Pledges—net	3,049	6,515
Other—net	9,187	7,248
Total receivables	21,150	26,318
PENSION ASSET		31,790
LAND, BUILDINGS, AND EQUIPMENT:		
Land	13,634	13,634
Buildings and equipment	189,712	181,339
Undeveloped real estate	6,936	6,936
Closed parish property	19,767	19,767
Total land, buildings, and equipment	230,049	221,676
Less accumulated depreciation	(155,021)	(151,428)
Land, buildings, and equipment—net	75,028	70,248
RIGHT OF USE ASSET	414	-
OTHER ASSETS	8,214	5,087
TOTAL	$ 725,181	$ 717,805

	2022	2021
LIABILITIES		
DEPOSITS:		
Parishes	$ 290,754	$ 271,189
TTWCI for Parishes	31,578	38,460
Other religious organizations	1,961	2,161
Total deposits	324,293	311,810
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	37,842	26,469
BORROWINGS—Notes payable (less debt issuance costs of $3,050 and $992, respectively)	209,448	163,175
PENSION LIABILITY	3,734	-
OTHER LIABILITIES:		
Insurance claims	201,176	198,374
Unearned rental income	15,248	15,457
Undistributed collections	2,678	2,777
Annuity obligations	454	684
Asset retirement obligations	2,871	2,707
Lease liability	421	-
Other	3,218	3,541
Total other liabilities	226,066	223,540
Total liabilities	801,383	724,994
NET ASSETS (DEFICIT):		
Without donor restrictions:		
Undesignated	(213,853)	(157,460)
Designated	61,604	67,616
Total without donor restrictions	(152,249)	(89,844)
With donor restrictions:		
Temporary in nature	50,388	57,069
Perpetual in nature	25,659	25,586
Total with donor restrictions	76,047	82,655
Total net assets (deficit)	(76,202)	(7,189)
TOTAL	$ 725,181	$ 717,805

See notes to financial statements.

ARCHDIOCESAN PASTORAL CENTER—ARCHDIOCESE OF CHICAGO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022 (WITH COMPARATIVE TOTALS FOR 2021)
(Amounts in thousands)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
REVENUES:				
Assessments:				
Parishes	$ 24,064	$ -	$ 24,064	$ 24,553
Cemeteries	5,000	-	5,000	5,000
Insurance	114,143	-	114,143	103,038
Parishes for PRMAA	7,253	-	7,253	7,223
Investment return designated for current operations	(4,677)	-	(4,677)	33,151
Interest income—parish and agency loans	5,123	-	5,123	5,349
Food service	17,758	-	17,758	11,945
Publications	5,721	-	5,721	5,182
Pastoral Center services	19,258	5,168	24,426	20,386
Seminaries	14,125	638	14,763	13,082
Annual Catholic Appeal	11,297	-	11,297	10,903
Capital Campaign—TTWCI	318	350	668	1,581
Contributions and bequests	2,406	500	2,906	1,790
Other	4,930	-	4,930	6,061
Total revenues	226,719	6,656	233,375	249,244
EXPENSES:				
Parish and agency grants:				
Operating	8,529	-	8,529	5,290
Capital	1,842	-	1,842	2,053
Contributions to PRMAA	7,376	-	7,376	7,223
Provision (recovery) for uncollectible loans, pledges, and operating receivables	9,054	-	9,054	(671)
Insurance and retirement benefits program	125,993	-	125,993	117,459
Deposit valuation	(9,462)	-	(9,462)	28,569
Interest expense:				
Deposits	942	-	942	1,627
Borrowings	17,500	-	17,500	7,753
Change in value of gift annuities	(187)	-	(187)	181
Food service	14,644	-	14,644	10,311
Publications	5,266	-	5,266	4,504
Pastoral Center services	65,288	-	65,288	60,066
Seminaries	10,935	-	10,935	9,851
Annual Catholic Appeal fundraising expenses	1,179	-	1,179	1,071
Capital Campaign and other development expenses	3,080	-	3,080	4,921
Capital Campaign—CEST Contributions	-	-	-	793
Depreciation and accretion	5,429	-	5,429	5,694
Other	3,567	-	3,567	4,626
Total expenses	270,975	-	270,975	271,321
LOSS FROM OPERATIONS	(44,256)	6,656	(37,600)	(22,077)
NET ASSETS RELEASED FROM RESTRICTIONS	7,813	(7,813)	-	-
OTHER COMPONENTS OF NET PERIODIC BENEFIT PLAN COSTS	5,661	-	5,661	7,219
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION INCOME	(41,185)	-	(41,185)	33,433
INVESTMENT RETURN EXCLUDING RETURNS DESIGNATED FOR CURRENT OPERATIONS	(18,472)	(5,451)	(23,923)	48,428
NET PROPERTY GAINS	2,106	-	2,106	1,213
INTERENTITY TRANSFERS	25,928	-	25,928	8,845
CHANGE IN NET ASSETS	(62,405)	(6,608)	(69,013)	77,061
NET ASSETS—Beginning of year	(89,844)	82,655	(7,189)	(84,250)
NET ASSETS—End of year	$ (152,249)	$ 76,047	$ (76,202)	$ (7,189)

See notes to financial statements.

ARCHDIOCESAN PASTORAL CENTER—ARCHDIOCESE OF CHICAGO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(Amounts in thousands)

	Without Donor Restrictions	With Donor Restrictions	2021 Total
REVENUES:			
Assessments:			
Parishes	$ 24,553	$ -	$ 24,553
Cemeteries	5,000	-	5,000
Insurance	103,038	-	103,038
Parishes for PRMAA	7,223	-	7,223
Investment return designated for current operations	33,151	-	33,151
Interest income—parish and agency loans	5,349	-	5,349
Food service	11,945	-	11,945
Publications	5,182	-	5,182
Pastoral Center services	16,729	3,657	20,386
Seminaries	13,082	-	13,082
Annual Catholic Appeal	10,903	-	10,903
Capital Campaign—TTWCI	685	896	1,581
Contributions and bequests	786	1,004	1,790
Other	6,061	-	6,061
Total revenues	243,687	5,557	249,244
EXPENSES:			
Parish and agency grants:			
Operating	5,290	-	5,290
Capital	2,053	-	2,053
Contributions to PRMAA	7,223	-	7,223
Provision (recovery) for uncollectible loans, pledges, and operating receivables	(671)	-	(671)
Insurance and retirement benefits program	117,459	-	117,459
Deposit valuation	28,569	-	28,569
Interest expense:			
Deposits	1,627	-	1,627
Borrowings	7,753	-	7,753
Change in value of gift annuities	181	-	181
Food service	10,311	-	10,311
Publications	4,504	-	4,504
Pastoral Center services	60,066	-	60,066
Seminaries	9,851	-	9,851
Annual Catholic Appeal fundraising expenses	1,071	-	1,071
Capital Campaign and other development expenses	4,921	-	4,921
Capital Campaign—CEST Contributions	793	-	793
Depreciation and accretion	5,694	-	5,694
Other	4,626	-	4,626
Total expenses	271,321	-	271,321
LOSS FROM OPERATIONS	(27,634)	5,557	(22,077)
NET ASSETS RELEASED FROM RESTRICTIONS	9,459	(9,459)	-
OTHER COMPONENTS OF NET PERIODIC BENEFIT PLAN COSTS	7,219	-	7,219
PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION INCOME	33,433	-	33,433
INVESTMENT RETURN EXCLUDING RETURNS DESIGNATED FOR CURRENT OPERATIONS	28,283	20,145	48,428
NET PROPERTY GAINS	1,213	-	1,213
INTERENTITY TRANSFERS	8,845	-	8,845
CHANGE IN NET ASSETS	60,818	16,243	77,061
NET ASSETS—Beginning of year	(150,662)	66,412	(84,250)
NET ASSETS—End of year	$ (89,844)	$82,655	$ (7,189)

See notes to financial statements.

ARCHDIOCESAN PASTORAL CENTER—ARCHDIOCESE OF CHICAGO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
(Amounts in thousands)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (69,013)	$ 77,061
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Change in unrealized gains/losses and realized (gains) losses on investments—net	30,547	(79,913)
Property gains–net	(2,106)	(1,213)
Provision (recovery) for uncollectible receivables	9,054	(671)
Depreciation and accretion	5,429	5,694
Amortization of bond issuance costs	473	254
Permanently restricted contributions	(625)	(4)
Noncash charge for changes in defined benefit pension plan other than periodic pension expense	41,185	(33,433)
Changes in assets and liabilities:		
Receivables	(7,057)	39,586
Pension asset	(5,662)	(7,219)
Accounts payable and accrued expenses	11,373	(2,792)
Right of use assets	(414)	-
Other assets	(3,127)	1,194
Deposits	(1,097)	13,109
Annuity obligations	(230)	56
Other liabilities	2,593	12,191
Net cash provided by operating activities	11,323	23,900
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	212,468	122,460
Purchases of investments	(278,452)	(154,309)
Proceeds from sales of land, buildings, and equipment	4,244	6,520
Purchases of land, buildings, and equipment	(12,183)	(604)
Principal collected on loans to parishes and religious orders	3,171	4,472
Loans to parishes and religious orders	-	(971)
Net cash used in investing activities	(70,752)	(22,432)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Savings deposits	89,120	82,844
Savings withdrawals	(75,540)	(68,052)
Promissory note receipts	-	546
Bank Borrowings	150,000	-
Borrowing repayments	(101,669)	(7,436)
Permanently restricted contributions	625	4
Issuance Cost Payments	(2,531)	-
Net cash provided by financing activities	60,005	7,906

(Continued)

ARCHDIOCESAN PASTORAL CENTER—ARCHDIOCESE OF CHICAGO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021
(Amounts in thousands)

	2022	2021
CHANGE IN CASH AND CASH EQUIVALENTS	$ 576	$ 9,374
CASH AND CASH EQUIVALENTS—Beginning of year	97,211	87,837
CASH AND CASH EQUIVALENTS—End of year	$ 97,787	$ 97,211
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION—Cash paid during the year for interest:		
Deposits	$ 755	$ 1,809
Borrowings	$ 16,960	$ 7,832
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:		
Cash and cash equivalents—end of year	$ 59,636	$ 48,433
Restricted cash—end of year	38,151	48,778
Total	$ 97,787	$ 97,211

See notes to financial statements.

(Concluded)

1. NATURE OF OPERATIONS

The Archdiocesan Pastoral Center (the “Pastoral Center”) is the ministerial and administrative center for the Archdiocese of Chicago (the “Archdiocese”). Its purpose is to provide support and services to the parishes, schools, shrines, and oratories in Cook and Lake counties (the “Parishes”) and other church agencies. It operates the Archdiocesan Bank, which provides savings and loan services to the parishes; administers a centralized employee benefit and property and casualty insurance program; provides financial support to those parishes unable to sustain themselves; operates a seminary system for the education of priests; provides a nutritional lunch and breakfast program for students; publishes newspapers and various liturgical-related publications; and invests endowment funds. Operating support is derived primarily from Parish and cemetery assessments, employee benefit and property and casualty insurance program assessments, contributions and bequests, food service revenue, interest on loans to Parishes, and investment earnings.

Affiliated agencies include University of Saint Mary of the Lake/Mundelein Seminary, Liturgy Training Publications, Catholic New World, Chicago Catolico, Food Service Professionals, the Sheil Center, John Paul II Newman Center, Calvert House, Kolbe House, Casa Jesus and Saint Benedict Technology Consortium. All interorganizational balances and transactions have been eliminated.

These financial statements only reflect the operations of those agencies and other organizations of the Pastoral Center that are identified above. These financial statements do not reflect the operations of the other agencies and organizations that also are a part of the Archdiocese, which operates through the civil law entity known as the Catholic Bishop of Chicago, an Illinois corporation sole.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events—The Pastoral Center evaluated subsequent events through December 19, 2022, the date the financial statements were available for issuance and determined that there are no other events that require adjustment to, or disclosure in, these financial statements, besides those disclosed below. Please see Footnote 2—“Land, Buildings, and Equipment” and “Insurance” sections for subsequent events.

Cash and Cash Equivalents—Cash equivalents are defined as all liquid investments, with purchased maturities of three months or less and are stated at cost which approximates fair value. The Pastoral Center’s cash equivalents consist of money market bank accounts. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. Management does not expect losses on these balances to occur.

Restricted Cash—Restricted cash amounts are included in separate bank accounts for the benefit of lenders for debt service or for other restricted purposes in accordance with the debt agreements.

Pledges Receivable—Unconditional promises to give are included in the financial statements as pledges receivable and contribution, annual appeal, or capital campaign revenue. The Pastoral Center determines an allowance for doubtful pledges based on the expected collectability of the pledges.

Investments—Investments are carried at fair value. This includes marketable securities, which are valued based upon observable market inputs, and other investments that do not have readily determinable fair values, which are carried at net asset value (NAV) as a practical expedient.

The Pastoral Center, Catholic Cemeteries (Cemeteries), Parishes, Priests Retirement & Mutual Aid Association (PRMAA), and Mercy Home for Boys and Girls, all of whom are related parties, manage a portion of their investments through a pooled investment fund.

Pooled investment fund interest and dividend income, realized gains and losses, and unrealized gains and losses are allocated based on a proportionate share of each entity's fair value at the time of allocation. The entities have no cross interest in the funds of the other entities, and therefore, the financial statements of each entity reflect only that entity's share of the pooled fund.

Investment return consists of realized gains and losses, unrealized gains and losses, dividends and interest and is recorded when earned, and is shown net of investment management fees. Realized gains and losses are determined on the basis of the carrying value of the specific investments sold, and investment transactions are recorded on a trade-date basis. Unrealized gains and losses are determined based on changes in the fair value of investments.

Up to 5% of investment return for certain funds are used for operations and are reported as investment return designated for current operations in the statements of activities.

Land, Buildings, and Equipment—Land, buildings, and equipment represent active property and is carried at cost. Where historical cost is unavailable, buildings are carried at the reported insurable value as of July 1, 1980, with subsequent additions recorded at cost. Land is carried at the estimated historical cost as of July 1, 1980, with subsequent additions recorded at cost. Depreciation is recorded on buildings and equipment.

In February 2022, the Catholic Bishop of Chicago finalized the installment agreement and related amendments on the sale of the Former Seton Academy property for $600. The Pastoral Center will record a total gain of $600 in fiscal year 2024, when the installment agreement ends and full transfer of the property occurs.

Catholic Bishop of Chicago is finalizing the sale of the land on the 155 East Superior property and expects the sale will close in December 2022, or shortly thereafter. The land will be sold for $6,600, and the Pastoral Center will recognize an estimated gain of $6,600 in fiscal year 2023.

Undeveloped Real Estate—Undeveloped real estate represents land held for future development and is carried at cost.

Closed Parish Property—Closed parish property represents parish property transferred to the Pastoral Center after the parish was closed.

Depreciation—Depreciation is computed using the straight-line method based upon the following estimated useful lives:

Asset Description	Useful Life
Buildings	20–50 years
Land and building improvements	10–20 years
Equipment, furniture, and fixtures	3–10 years
Computer hardware & software	3–5 years

Repairs and maintenance that do not extend the life of the applicable assets are charged to expense as incurred.

Asset Retirement Obligations—Management records all known asset retirement obligations for which the fair value can be reasonably estimated. A liability is initially recorded at fair value if the fair value of the obligation to retire an asset can be reasonably estimated. The Pastoral Center has a liability for asset retirement obligations of $2,871 as of June 30, 2022 and $2,707 as of June 30, 2021.

Asset Impairment—The Pastoral Center regularly reviews long-lived assets for indicators of impairment. When indicators exist, the Pastoral Center compares the future cash flows expected from the asset to the carrying value of the asset. In management's opinion, no impairment indicators existed as of June 30, 2022 and 2021.

Classification of Net Assets—The net assets of the Pastoral Center are classified into different classifications according to external donor imposed restrictions and management designations as follows:

Without Donor Restrictions

Undesignated—Net assets that are free of donor-imposed restrictions and are expendable for any purpose in performing the primary objectives of the organization. The undesignated net assets of the Pastoral Center are primarily derived from parish and Cemeteries assessments, insurance program assessments, sale of real estate, and investment returns. Contributions with donor restrictions whose restrictions are met in the same reporting period are reported as undesignated without donor restrictions.

Designated—The Catholic Bishop of Chicago has designated a portion of net assets without donor restrictions to be designated for the seminary operations.

With Donor Restrictions

Temporary in Nature—Net assets whose use is limited by donor-imposed restrictions that either expire with the passage of time or can be removed by fulfillment of the stipulated purpose for which the donation was restricted. When donor-imposed restrictions are met, temporarily restricted net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Perpetual in Nature—Net assets donated with stipulations that they be invested to provide a permanent source of income; such restrictions can neither expire with the passage of time nor be removed by fulfillment of a stipulated purpose. The restricted portion of the Seminary Endowment Fund has been classified with other donor restrictions perpetual in nature. This fund is the recipient of contributions that specify that only the earnings of the fund may be spent in support of seminaries' operations.

Revenue Recognition

Contributions—Contribution revenue includes gifts from donors. Unconditional promises to give cash and other assets to the Pastoral Center are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value and revenue recognition is deferred until the applicable barriers are met if a right of return exists. Fair value from unconditional promises to give is measured at net realizable value for pledges due within one year and at net present value for pledges to be collected in future years. Unconditional promises to give are reported as either temporary in nature or perpetual in nature if they are received with donor-imposed restrictions that restrict the use of the donated assets. In the absence of donor-imposed restrictions, the Pastoral Center classifies the unconditional promises to give as without donor restrictions.

Gift annuity contributions are recognized when the contract is signed and the assets are received. From time to time, the Pastoral Center is named as a beneficiary of a revocable estate. It is the Pastoral Center's policy to recognize revenue on such estate when either the cash is received or the commitment from the estate becomes irrevocable.

Exchange Transactions—Revenue from contracts with customers is primarily derived from assessments, food service, publications, Pastoral Center services, seminary tuition, and other operating income.

The majority of the Pastoral Center's revenue from contracts with customers are from performance obligations satisfied over time and are derived from contracts with an initial expected duration of one year or less. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. There are no complex, unique or nonrecurring contractually derived revenues.

Assessments—The majority of the Pastoral Center's revenue is derived from the Parishes, Cemeteries, Parishes for PRMAA, and insurance assessments which are recognized when the Pastoral Center provides the associated services to the respective agencies.

Foods Services Revenue—Food service revenue is generated by Food Service Professionals, an affiliate of the Pastoral Center, which provides meals to the schools of the Archdiocese of Chicago. Food service revenue is recognized when food is delivered to the customer.

Publications Revenue—Publications revenue is generated by the Publications Department, which publishes and distributes various Catholic publications throughout the Archdiocese of Chicago and Liturgy Training Publications, an affiliate of the Pastoral Center, which publishes and distributes liturgical training publications to various Archdiocesan agencies and third parties. Revenue is recognized when publications are delivered to the customer.

Pastoral Center Services Revenue—Pastoral Center services revenue relates to the income generated by various departments within the Pastoral Center, which provide administrative and programming services to other agencies of the Archdiocese of Chicago. Revenue related to these services is recognized over time as the departments provide the associated services. A portion of Pastoral Center services revenue is also generated through donations to various programs and departments within the Pastoral Center. Pastoral Center services revenue derived from contracts with customers was $13,783 in 2022 and $11,352 in 2021. Pastoral Center services revenue derived from contributions was $10,643 in 2022 and $9,034 in 2021.

Seminaries Revenue—Seminaries tuition revenue is generated during the year in which the related services are provided to students. The performance obligation of delivering educational services and room and board is simultaneously received and consumed by the students, and therefore revenue is recognized over the course of the academic year. Seminaries revenue is also generated through rental income from third party tenants, which is recognized over time as the rental services are provided. A portion of Seminaries revenue is also generated through donations. Seminaries revenue derived from contracts with customers was $6,338 in 2022 and $6,281 in 2021. Seminaries revenue derived from contributions was $8,425 in 2022 and $6,801 in 2021.

Other Revenues—Other revenues are primarily generated through rental agreements with third parties and technology support services provided by Saint Benedict Technology Consortium, an affiliate of the Pastoral Center, to agencies of the Archdiocese of Chicago. Both rental income and technology support services are recognized over time as the services are provided.

The majority of the Pastoral Center's revenue from contracts with customers are from performance obligations satisfied over time and are derived from contracts with an initial expected duration of one year or less. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. There are no complex, unique or nonrecurring contractually derived revenues.

The Pastoral Center records credit losses related to receivables arising from contracts with customers within the Provision for Uncollectible Loans, Pledges, and Operating Receivables. The Pastoral Center does not have any impairment on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no significant financing components. Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers.

Receivables—Loans to parishes and other religious organizations, pledges, and operating receivables are presented net of an allowance for doubtful accounts. Loans to Parishes and other religious organizations bear interest at rates believed to be below prevailing commercial interest rates.

Deposits—Deposits include funds on deposit by parishes and other religious organizations with the Pastoral Center. Deposits bear interest at rates that vary depending on the amount and availability of the deposit. Interest rates paid on deposits ranged from .4% to .6% and 0.4% to 1.7% during 2022 and 2021 respectively. Deposits also include pledges that have not yet been collected by the Pastoral Center that are payable to parishes of $974 and $3,632 as of June 30, 2022 and 2021, respectively.

Insurance—Insurance claims accruals are an accumulation of the estimated amounts necessary to settle outstanding claims, including claims that are incurred but not reported, based on the facts in each case and the Pastoral Center's experience with similar cases. These estimates are reviewed and updated regularly, and any resulting adjustments are reflected in current operations. Insurance claims accruals consist of property and casualty, medical, and professional misconduct claims.

Property and casualty risks of the parishes and participating religious organizations are covered in part by self-insurance programs administered through the Pastoral Center. Property and casualty losses in excess of self-insured retention levels are insured under commercial excess policies. Medical and health insurance for employees is provided through a combination of self-insured HMO and PPO plans. The Pastoral Center assesses the parishes and participating religious organizations of the Archdiocese to fund the costs of such programs.

During 2022 and 2021, the Pastoral Center paid multiple legal claims related to allegations of past professional misconduct by priests with settlements paid totaling $25,868 and $12,691, respectively. Subsequent to June 30, 2022, the Pastoral Center paid an additional $5,059 in settlement claims. The costs of these subsequent settlements are included in the insurance claims accrual at June 30, 2021.

Food Service, Publications, and Seminaries Expenses—Expenses for food service, publications, and seminaries as reported in the statements of activities do not include expenses that result from insurance and other related assessments from the Pastoral Center. The following affiliated agency expenses and related assessment revenues have been eliminated from the statements of activities:

	2022	2021
Food service	$ 507	$ 534
Publications	501	472
Seminaries	1,959	1,886

Unearned Rental Income—In May 2008, The Catholic Bishop of Chicago executed a land lease agreement for the site of the now former Pastoral Center operational headquarters building. The lease has a term of 99 years that commenced on January 1, 2009, and gives the tenant a right to renew the term of lease for two additional 25-year periods. The agreement allows for escalating rental payments during each rent adjustment year. In addition, base rent will be adjusted annually by a factor of the percentage increase in the consumer price index not to exceed 5% annually, commencing with the third lease year. The tenant made an initial rent payment of $18 million at the inception of the agreement, which will be recognized on a straight-line basis over the 99-year lease term. For more details on this lessor arrangement, see Footnote 15 lessor disclosures for 155 East Superior.

Undistributed Collections—Undistributed collections represent the proceeds from special collections that will be distributed to the applicable third-party organization.

Tax-Exempt Status—The Internal Revenue Service has determined that the Catholic Bishop of Chicago is exempt from federal income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Accounting Standards Update Adopted in the Current Year—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* (“ASU 2016-02” or “Accounting Standards Codification (ASC) 842”). ASU 2016-02 requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the statement of financial position for both operating and capital leases.

The Pastoral Center adopted ASC 842, along with related clarifications and improvements, on July 1, 2021 using the effective date as the date of initial application. Results for the year ended June 30, 2022 are presented under Topic 842. Comparative period information prior to the effective date continues to be presented in accordance with its historic accounting under the previous lease guidance, ASC 840, Leases (“Topic 840”).

The Pastoral Center has opted to elect the package of transition practical expedients that permits it to not reassess its prior conclusions for any expired or existing contracts at the application date of ASC 842, about lease identification, lease classification, and initial direct costs. The Pastoral Center chose not to elect the use-of-hindsight practical expedient to reassess lease term. The Pastoral Center also adopted the practical expedient that allows companies to maintain their legacy accounting for land easements existing on the date of adoption. The Pastoral Center also elected the practical expedient provided to lessees to not separate lease and non-lease components for all leases, and the practical expedient to not recognize a right-of-use asset and lease liability for leases with a term of 12 months or less. Rent expense of $2,177 was incurred for leases with a term of 12 months or less for the year ended June 30, 2022. Upon adoption as of July 1, 2021, the Pastoral Center recognized operating and financing lease right-of-use assets and lease liabilities within the statement of financial position. There was not a material impact to The Pastoral Center's statement of activities and changes in net assets upon adoption. See Note 15 for additional information.

In August 2018, the FASB issues ASU 2018-14, *Compensation—Retirement Benefits Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure or Defined Benefit Plans* ("ASU 2018-14"). This guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or postretirement plans. ASU 2018-14 is effective for the Pastoral Center beginning on July 1, 2021. There was no impact on the Pastoral Center's financial statements upon adoption and see footnote 10 for required disclosures.

In September 2020, the FASB issued ASU No. 2020-07*, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"). ASU 2020-07 aims to increase the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this update address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. ASU 2020-07 is effective for the Pastoral Center for the year beginning on July 1, 2021, and it had no impact on the Pastoral Center's financial statements or disclosures.

Accounting Standards Updates Issued Not Yet Adopted—In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). This standard, changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. ASU 2019-10 deferred the effective date of ASU 2016-13. ASU 2016-13 is now effective for the Pastoral Center beginning on July 1, 2023. The Pastoral Center has not yet determined the impact on its financial statements and disclosures.

3. LIQUIDITY AND AVAILABILITY

The following reflects the Pastoral Center's financial assets available for general expenditure within one year of the balance sheet date, June 30, 2022 and 2021, respectively. These liquid assets are reduced by amounts not available for general use due to donor-imposed restrictions and Pastoral Center designations, which supports parish and school programs and obligations. Cash and investment assets also include parish, school, and seminary funds.

	2022	2021
Cash and cash equivalents	$ 59,636	$ 48,433
Investments available within one year	424,993	403,500
Loans to parishes	972	1,066
Pledge receivables	1,635	2,816
Other receivables	511	441
Other assets	3,084	3,000
	490,831	459,256
Less amounts unavailable for general expenditure:		
Donor-imposed restrictions:		
Temporary in nature	(16,114)	(14,684)
Perpetual in nature	(4,841)	(5,130)
	469,876	439,442
Management designated:		
Parish and school funds	(246,550)	(244,610)
Seminary and affiliate investment funds	(81,775)	(88,641)
Pastoral Center funds to support parishes, education and faith formation	(27,380)	(27,027)
Required to meet self-insurance program obligations	(58,383)	(31,040)
Total financial assets available within one year for general expenditure	$ 55,788	$ 48,124

The Pastoral Center's investments include donor-imposed restricted endowments and funds designated by management as endowments from fund-raising efforts and parish, school and affiliate funds. Donor-imposed restricted endowment funds are not available for general expenditures and, thus, excluded in calculating liquid assets.

The Pastoral Center manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due during the annual operating budget period and in subsequent years. Actual performance is reported and monitored in comparison to budget. Management's liquidity plan includes investing cash and savings program balances in short-term investments.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following fair value hierarchy is used in selecting inputs, with the highest priority given to Level 1, as these are the most transparent or reliable:

Level 1—Quoted prices for identical instruments in active markets.

Level 2—Inputs other than Level 1 that are observable either directly or indirectly, such as quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable in active markets.

Level 3—Valuations derived from valuation techniques in which one or more significant inputs are not observable.

Investments Measured at Net Asset Value—Investments that establish fair value using the net asset value per share (NAV) or its equivalent as a practical expedient.

The Pastoral Center attempts to establish fair value as an exit price in an orderly transaction consistent with normal settlement market conventions. The Pastoral Center is responsible for the valuation process and seeks to obtain quoted market prices for all securities. When quoted market prices in active markets are not available, the Pastoral Center uses independent pricing services to establish fair value.

Investments Measured at Fair Value—Investments measured at fair value on a recurring basis as of June 30, 2022 and 2021, are as follows:

2022	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Invested cash	$144,977	$ -	$ -	$ -	$144,977
Equity investments	20,176	-	-	-	20,176
Fixed income investments	44,650	25,223	-	-	69,873
Investments measured at NAV:					
Marketable alternative equity	-	-	-	207,519	207,519
Fixed income	-	-	-	6,390	6,390
Marketable energy and commodities	-	-	-	-	-
Private investment funds	-	-	-	73,653	73,653
Total investments measured at NAV	-	-	-	287,562	287,562
Total	$209,803	$25,223	$ -	$287,562	$522,588

2021	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Invested cash	$111,459	$ -	$ -	$ -	$111,459
Equity investments	18,096	-	-	-	18,096
Fixed income investments	51,746	27,843	-	-	79,589
Investments measured at NAV:					
Marketable alternative equity	-	-	-	215,680	215,680
Fixed income	-	-	-	13,882	13,882
Marketable energy and commodities	-	-	-	-	-
Private investment funds	-	-	-	48,445	48,445
Total investments measured at NAV	-	-	-	278,007	278,007
Total	$181,301	$27,843	$ -	$278,007	$487,151

The Pastoral Center did not transfer any investments between levels within the general investment portfolio.

Investments measured at NAV are composed of marketable alternative equity investments, marketable energy and commodities, fixed income, and private equity investments. These investments are valued utilizing the NAVs provided by the investment funds as a practical expedient, without adjustments, when the NAVs of the investment funds are calculated in accordance with generally accepted accounting principles. The NAVs developed by external investment managers are accepted or adjusted through a valuation review performed by management. For the years ended June 30, 2022 and 2021, management made no such valuation adjustments.

A summary of the unfunded commitments and redemptions restrictions of the Pastoral Center's investments measured at NAV by major category as of June 30, 2022 and 2021, is as follows:

2022	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Side Pocket Investments (*)	Lockups/ Gates
Marketable alternative equity	$207,519	$ -	Semi-monthly - 5 years	8 - 126 days	$1,936	Rolling, 1–21 month lock-up
Fixed income	6,390	-	Daily	1 day	-	N/A
Marketable energy and commodities	-	-	N/A	N/A	-	N/A
Private investment funds	73,653	36,377	N/A	N/A	-	N/A
Total	$287,562	$36,377			$1,936	

2021	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Side Pocket Investments (*)	Lockups/ Gates
Marketable alternative equity	$215,680	$ 3,237	Monthly–5 years	7–126 days	$510	Rolling, 1–19 month lock-up
Fixed income	13,882	-	Daily	1 day	-	N/A
Marketable energy and commodities	-	-	Monthly	30 days	-	N/A
Private investment funds	48,445	33,692	N/A	N/A	-	N/A
Total	$278,007	$36,929			$510	

(*) The Pastoral Center may participate in side pocket investments, either at the Pastoral Center's discretion or that of the investment adviser who manages the investment fund in which the Pastoral Center invests. A side pocket investment is generally less liquid than others in an investment fund and will be subject to different terms and conditions, including more significant restrictions on redemptions.

The following section describes the valuation methodologies used to measure different assets at fair value, including an indication of the level in the fair value hierarchy in which the asset is generally classified.

Invested cash includes money market mutual funds and certificates of deposit and are generally categorized in Level 1 of the fair value hierarchy.

Equity investments include common stock and equity mutual funds. Common stock is valued based on quoted prices from an exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are generally categorized in Level 1 of the fair value hierarchy. Equity mutual funds are valued based on the NAV as computed once per day based on the quoted market prices of the securities in the fund's portfolio and are generally categorized in Level 1 of the fair value hierarchy.

Fixed income investments include fixed income mutual funds and government bonds. Fixed income mutual funds are valued based on the NAV as computed once per day based on the quoted market prices of the securities in the fund's portfolio and are generally categorized in Level 1 of the fair value hierarchy. Government bonds are estimated using recently executed transactions, market price quotations (where observable), or bond spreads. If the spread data does not reference the issuer, then data that reference a comparable issuer are used. Government bonds are generally categorized in Level 2 of the fair value hierarchy.

Private investment funds include private equity, venture capital, oil & gas, real estate, and private credit funds. The Pastoral Center uses NAV to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement policies of an investment company or have the attributes of an investment company.

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

Investments as of June 30, 2022 and 2021, are allocated as follows:

	2022	2021
Pastoral Center	$ 148,978	$ 101,440
Seminaries	104,148	113,580
Archdiocesan Bank	143,929	146,458
Parish-directed investments through Archdiocesan Bank	124,451	124,510
Other affiliated agencies	1,082	1,163
Total investments	$ 522,588	$ 487,151

5. ENDOWMENTS

The Pastoral Center endowments as of June 30, 2022 and 2021, include 22 individual funds established for a variety of purposes and include both donor-restricted endowment funds and funds designated to function as endowments. Net assets associated with donor restriction perpetual in nature funds, including designated funds, are classified and reported based on the existence of donor-imposed restrictions or fund designations.

The Pastoral Center has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor permanently restricted funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Pastoral Center classifies net assets with donor restrictions as perpetual in nature as (a) the original value of gifts, (b) the original value of subsequent gifts, and (c) accumulations made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted fund that is not classified in net assets with donor restrictions perpetual in nature is classified as net assets with donor restrictions temporary in nature until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Endowment net asset composition by type of fund as of June 30, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions—Temporary in Nature	With Donor Restrictions—Perpetual in Nature	Total
Donor-restricted funds	$ -	$ 16,908	$ 25,659	$ 42,567
Designated funds	34,199	-	-	34,199
Total funds	$ 34,199	$ 16,908	$ 25,659	$ 76,766

Endowment net asset composition by type of fund as of June 30, 2021, is as follows:

	Without Donor Restrictions	With Donor Restrictions—Temporary in Nature	With Donor Restrictions—Perpetual in Nature	Total
Donor-restricted funds	$ -	$ 20,483	$ 25,586	$ 46,069
Designated funds	37,212	-	-	37,212
Total funds	$ 37,212	$ 20,483	$ 25,586	$ 83,281

Changes in endowment net assets for the year ended June 30, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions—Temporary in Nature	With Donor Restrictions—Perpetual in Nature	Total
Endowment net assets—beginning of year	$ 37,212	$ 20,483	$ 25,586	$ 83,281
Investment return	(2,601)	(2,645)	(462)	(5,708)
Contributions and additional designations	-	-	625	625
Transfer of net assets	-	-	(90)	(90)
Appropriation of endowment assets for expenditures	(412)	(930)	-	(1,342)
Endowment net assets—end of year	$ 34,199	$ 16,908	$ 25,659	$ 76,766

Changes in endowment net assets for the year ended June 30, 2021, are as follows:

	Without Donor Restrictions	With Donor Restrictions—Temporary in Nature	With Donor Restrictions—Perpetual in Nature	Total
Endowment net assets—beginning of year	$ 27,547	$ 11,157	$ 23,943	$ 62,647
Investment return	9,861	10,314	1,916	22,091
Contributions and additional designations	12	-	4	16
Transfer of net assets	-	-	(51)	(51)
Appropriation of endowment assets for expenditures	(208)	(988)	(226)	(1,422)
Endowment net assets—end of year	$ 37,212	$ 20,483	$ 25,586	$ 83,281

Funds with Deficiencies—From time to time, the fair value of assets associated with individual donor permanently restricted funds may fall below the level that the donor or UPMIFA requires the Pastoral Center to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies of this nature as of June 30, 2022 and 2021.

Return Objectives and Risk Parameters—The Pastoral Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Pastoral Center must hold in perpetuity or for a donor-specified period(s) as well as designated funds. The Pastoral Center expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives—To satisfy its long-term rate of return objectives, the Pastoral Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy—The Pastoral Center has a policy of appropriating for distribution each year 5% of its designated endowment fund's average fair value over the prior four quarters through March 31 preceding the fiscal year in which the distribution is planned. In establishing this policy, the Pastoral Center considered the long-term expected return on its designated endowment. Accordingly, over the long term, the Pastoral Center expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Pastoral Center's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

6. NET ASSETS

Without donor restrictions net assets as of June 30, 2022 and 2021, are available for the following purposes and periods:

	2022	**2021**
Without donor restrictions:		
Undesignated	$ (213,853)	$ (157,460)
Designated—seminaries	50,349	54,823
Designated—Pastoral Center	11,255	12,793
Total without donor restrictions	$ (152,249)	$ (89,844)

With donor restrictions net assets as of June 30, 2022 and 2021, are available for the following purposes and periods:

	2022	2021
With donor restrictions:		
With donor restrictions—temporary in nature:		
Seminary programs	$34,397	$39,798
Parish and school programs	7,447	8,009
Ministry programs	8,544	9,262
Total with donor restrictions—temporary in nature	50,388	57,069
Total with donor restrictions—perpetual in nature	25,659	25,586
Total with donor restrictions	$76,047	$82,655

Net assets released from net assets with donor restriction as of June 30, 2022 and 2021, by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donor are as follows:

	2022	2021
Satisfaction of purpose restriction:		
Seminary programs	$1,701	$1,622
Parish and school programs	3,864	5,312
Ministry programs	2,248	2,525
Total net assets released from net assets with donor restrictions	$7,813	$9,459

7. LOANS AND OTHER RECEIVABLES

The Pastoral Center has a parish loan program, which lends at rates generally believed to be below the prevailing commercial interest rate. This program is mainly funded by deposits of surplus funds from Parishes and other religious organizations. At June 30, 2022 and 2021, there were loans outstanding to Parishes, net of allowance for doubtful accounts, aggregating $7,581 and $10,461, respectively, and loans outstanding to other religious organizations, net of allowance for doubtful accounts, of $980 and $1,129, respectively.

A rollforward schedule of the allowance for doubtful accounts related to loans receivable for the year ended June 30, 2022, on a portfolio segment basis, is as follows:

	Parishes		Other Religious Organizations		
	Capital	Operating	Capital	Operating	Total
Allowance for doubtful accounts:					
Beginning of year	$(42,874)	$(55,588)	$(1,264)	$ (15)	$ (99,741)
Provision (expense) benefit	700	111	-	-	811
Write-offs—net of recoveries	1,539	3,894	-	-	5,433
End of year	$(40,635)	$(51,583)	$(1,264)	$ (15)	$ (93,497)
Gross loan receivables—ending balance	$ 47,989	$ 51,810	$ 1,264	$995	$102,058

A rollforward schedule of the allowance for doubtful accounts related to loans receivable for the year ended June 30, 2021, on a portfolio segment basis, is as follows:

	Parishes		Other Religious Organizations		
	Capital	Operating	Capital	Operating	Total
Allowance for doubtful accounts:					
Beginning of year	$(44,918)	$(58,523)	$(1,264)	$ (87)	$(104,792)
Provision (expense) benefit	2,044	475	-	-	2,519
Write-offs—net of recoveries	-	2,460	-	72	2,532
End of year	$(42,874)	$(55,588)	$(1,264)	$ (15)	$ (99,741)
Gross loan receivables—ending balance	$ 53,090	$ 55,833	$ 1,264	$1,144	$ 111,331

The ending balance of each financing receivable is evaluated individually, as opposed to collectively, for impairment.

The Pastoral Center determines the allowance for doubtful accounts related to loans based on the creditworthiness of the individual parish or religious organization. The primary factors used to evaluate loan collectability include performance, both during the fiscal year and, in the future, based on available financial resources. Category 1 indicates that the parish or other religious organization is deemed financially sound. Category 5 indicates that there is substantial doubt that the parish or religious organization will be able to repay the loan. Categories 2 through 4 indicate that there is some level of doubt regarding loan repayment.

The gross loan balance by creditworthiness category as of June 30, 2022, is as follows:

	Parishes		Other Religious Organizations		
	Capital	Operating	Capital	Operating	Total
Creditworthiness category:					
1	$ 7,307	$ -	$ -	$980	$ 8,287
2	53	252	-	-	305
3	-	-	-	-	-
4	-	-	-	-	-
5	40,629	51,558	1,264	15	93,466
	$47,989	$51,810	$1,264	$995	$102,058

The gross loan balance by creditworthiness category as of June 30, 2021, is as follows:

	Parishes		Other Religious Organizations		
	Capital	Operating	Capital	Operating	Total
Creditworthiness category:					
1	$ 8,952	$ 86	$ -	$1,129	$ 10,167
2	1,184	181	-	-	1,365
3	398	-	-	-	398
4	-	-	-	-	-
5	42,556	55,566	1,264	15	99,401
	$53,090	$55,833	$1,264	$1,144	$111,331

The activity for the allowance for doubtful accounts for the net other receivables (Interest on loans to parishes and other religious organizations, Pledges, and Other) as of June 30, 2022 and 2021, is as follows:

	2022		
	Interest on Loans	Pledges	Other
Allowance for doubtful accounts—beginning of year	$ (49,018)	$ (66,696)	$ (89,326)
Current-year activity:			
Provision	(3,524)	-	(7,389)
Appeal provision (reduction of revenue)	-	(207)	-
Capital campaign provision and discount	-	1,017	-
Write-offs—net of recoveries	4,122	-	8,676
Allowance for doubtful accounts—end of year	$ (48,420)	$ (65,886)	$ (88,039)

	2021		
	Interest on Loans	Pledges	Other
Allowance for doubtful accounts—beginning of year	$ (49,460)	$ (63,086)	$ (88,451)
Current-year activity:			
Provision	(2,560)	-	(5,064)
Appeal provision (reduction of revenue)	-	487	-
Capital campaign provision and discount	-	(4,097)	-
Write-offs—net of recoveries	3,002	-	4,189
Allowance for doubtful accounts—end of year	$ (49,018)	$ (66,696)	$ (89,326)

8. BORROWINGS

A summary of borrowings as of June 30, 2022 and 2021, is as follows:

	2022	2021
$100,000 notes payable, due April 25, 2032, interest rate is fixed at 5.14%	$ 62,498	$ 67,167
$60,000 notes payable, due October 2, 2024, interest rate is fixed at 5.85%	-	60,000
$75,000 term loan, due January 18, 2022, interest rate is LIBOR plus 165 bps (1.74% at June 30, 2021)	-	37,000
$150,000 notes payable, due June 30, 2042 interest rate is fixed at 5.75%	150,000	-
	$ 212,498	$ 164,167

Total principal payments are due as follows:

Years Ending June 30	Amount
2023	$ 4,914
2024	5,171
2025	5,442
2026	5,727
2027	10,317
Thereafter	180,927
Total borrowings	$ 212,498

Certain debt agreements require that the Pastoral Center, along with Cemeteries, meet certain debt covenants related to minimum liquidity levels and investment to debt ratios. The Pastoral Center, along with Cemeteries, was in compliance with all financial debt covenants at June 30, 2022 and 2021.

Expenses related to the procurement and underwriting of the notes payable and term loan have been deferred and are being amortized on a straight-line basis over the life of the agreements. These costs, net of accumulated amortization, are $3,050 and $992 at June 30, 2022 and 2021, respectively, and are recorded as a reduction of borrowings on the statements of financial position. Amortization expense was $473 and $254 for the years ended June 30, 2022 and 2021, respectively.

The Catholic Bishop of Chicago issued $150,000 of 2021 Senior Revenue Bonds with a maturity date of July 25, 2041 through the Public Finance Authority in August 2021, with issuance costs of $2,421. The proceeds from the sale of the 2021 Senior Revenue Bonds have been applied against the existing notes payable due October 2, 2024 for the $60,000 original principal amount, interest of $1,180, and make-whole payments of $5,890 in fiscal year 2022. The issuance costs of $27 for the notes payable were written off in fiscal year 2022. The 2021 Senior Revenue Bond proceeds were also applied against the $37,000 term loan balance, due January 18, 2022, and interest of $60. The issuance costs of $271 for the term loan were written off in fiscal year 2022. The remaining amount of the proceeds will be used for general corporate purposes. In August 2021, the notes payable due October 2, 2024 and the term loan due January 18, 2022 were fully extinguished.

9. COMMITMENTS AND CONTINGENCIES

The Archdiocesan Finance Council and its Investment Committee oversee a pooled investment fund for various entities in the Archdiocese, including the Pastoral Center, Parishes, Cemeteries, PRMAA, and Mercy Home for Boys and Girls. The pooled investment fund invests with a number of investment managers in various equity and fixed-income products. An allocation of the investments is in nonmarketable investments through limited partnerships. At any point in time, the pooled investment fund has unfunded commitments to fund additional capital calls to certain limited partnerships. The aggregate amount of unfunded commitments for the pooled investment fund as of June 30, 2022 and 2021, is $120,899 and $136,217, respectively. The Pastoral Center's allocation of the unfunded commitments as of June 30, 2022 and 2021, is $36,377 and $36,929, respectively.

PRMAA administers retirement, disability, health, and other benefits for the priests of the Archdiocese. Operating support is derived primarily from Parishes assessments and contributions from priests. The Pastoral Center has committed to provide additional funding to PRMAA to the extent that Parishes assessments and contributions from priests do not meet PRMAA's operating cash flow needs.

Other various legal actions and governmental proceedings involve The Catholic Bishop of Chicago or separately incorporated religious organizations under its control. These actions can involve claims for compensatory or punitive damages, as well as other types of relief. Among the pending or potential legal claims against the Archdiocese are some related to allegations of past sexual misconduct by priests. Cost of settlement and legal defense for such claims are managed and reported through an insurance claims accrual (see Note 2). The ultimate outcome of these matters is not presently known, but in the opinion of management, the ultimate liability will not have a material effect on the net assets of the Pastoral Center beyond the accrual for insurance claims already reflected in the statements of financial position. The ultimate liability will change in the future and is sensitive to precedents established by pending court cases, possible legislative action, particularly related to the statutes of limitation, and additional claims that may be asserted in the future.

10. RETIREMENT BENEFITS

Defined Benefit Plan—The Archdiocese has a noncontributory pension plan (the "Plan") covering substantially all lay employees of the Pastoral Center, Parishes, and certain participating charitable organizations. The Pastoral Center charges Parishes and the participating charitable organizations for pension costs. The Plan provides annual retirement benefits (over and above normal Social Security benefits) equal to 1.375% of annual pay for each year of employment based on the career average salary without limitation as to the amount of salary or term of service before normal retirement age. For employment years prior to 1997, the salary was computed using the average salary during 1997–2001. A participant is 100% vested after five years of service.

During 2007, the Plan was amended, effective July 1, 2007, to freeze benefit accruals and participation as of that date.

The Pastoral Center has recorded the total funded status of the Plan in the statements of financial position. This liability is related to all participants of the Plan, which includes those employed by parishes and participating charitable organizations. The information to allocate the asset to the parishes and other charitable organizations is not available, and those parties are responsible for their related costs. This asset may be transferred to those other organizations in the future.

The significant contributing factors to the change in the funded status are the increase in the discount rate from 2.84% to 4.67% and the change in the assumed rates of retirement from active status which were offset by changes in the mortality improvement scale and actual return on the fair value of plan assets since the prior measurement date less than assumed.

The Pastoral Center uses a June 30 measurement date for the Plan.

Summary information for the Plan as of June 30, 2022 and 2021, is as follows:

	2022	2021
Change in benefit obligation:		
Projected benefit obligation—beginning of year	$ 843,618	$ 893,878
Interest cost	22,768	23,701
Actuarial losses (gains)	(129,409)	(26,319)
Benefits paid	(43,557)	(47,642)
Projected benefit obligation—end of year	$ 693,420	$ 843,618
Change in Plan assets:		
Fair value of Plan assets—beginning of year	$ 875,408	$ 885,016
Actual return on Plan assets	(141,498)	38,034
Expenses paid	(667)	-
Benefits paid	(43,557)	(47,642)
Fair value of Plan assets—end of year	$ 689,686	$ 875,408
Funded status—end of year	$ (3,734)	$ 31,790
Amounts recognized in the statements of financial position—pension asset (liability)	$ (3,734)	$ 31,790

The components of net periodic benefit cost (income) for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Components of net periodic benefit cost (income):		
Interest cost	$ 22,768	$ 23,701
Expected return on Plan assets	(29,149)	(31,100)
Expected administrative expenses	720	180
Amortization of net (gain) loss	-	-
Net periodic benefit cost	$ (5,661)	$ (7,219)

Pension-related changes, other than net periodic pension income, are included as a separate charge to unrestricted net assets consisting of actuarial losses of $41,185 and actuarial gains of $33,433 for the years ended June 30, 2022 and 2021, respectively.

The Plan's accumulated net actuarial losses not yet recognized as a component of periodic pension income but accumulated in unrestricted net assets as of June 30, 2022 and 2021, are $83,599 and $47,679, respectively. The Pastoral Center estimates that there will be no amortization of net actuarial loss included as a component of periodic pension expense in fiscal 2023.

Actuarial assumptions for the Plan as of June 30, 2022 and 2021, are as follows:

	2022	2021
Weighted-average assumptions:		
Discount rate—benefit obligation	4.67 %	2.84 %
Discount rate—benefit cost	2.84	2.79
Expected return on Plan assets—benefit cost	3.50	3.70
Rate of compensation increase	N/A	N/A

The Pastoral Center does not expect to contribute to the Plan in 2022.

The following benefit payments are expected to be paid as follows:

Years Ending June 30	Amount
2023	$ 89,425
2024	45,387
2025	45,703
2026	45,953
2027	46,000
2028–2032	223,893

Plan Assets—The primary return objectives of the Plan are a) the preservation of principal, b) to earn a competitive total return consistent with prudent levels of risk, and c) to create a stream of investment returns to insure the systematic and adequate funding of actuarially determined benefits through contributions from the Pastoral Center and professional management of the Plan assets.

This is accomplished through diversification of assets in accordance with the investment policy. The pension plan assets are primarily investments in fixed-income securities. The current investment benchmark is a blend of Barclays Capital U.S. Long and Intermediate Credit and U.S. Long and Intermediate Government indices. The Plan assets also include invested cash, mutual funds, and marketable alternative equity investments.

Invested cash includes money market mutual funds and are generally categorized in Level 1 of the fair value hierarchy.

Equity investments include common stock and equity mutual funds. Common stock is valued based on quoted prices from an exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are generally categorized in Level 1 of the fair value hierarchy. Equity mutual funds are valued based on the NAV as computed once per day based on the quoted market prices of the securities in the fund’s portfolio and are generally categorized in Level 1 of the fair value hierarchy.

Fixed income mutual funds are valued based on the NAV as computed once per day, based on the quoted market prices of the securities in the fund’s portfolio and are generally categorized in Level 1 of the fair value hierarchy if they have a published NAV and “Investments Measured at NAV” of the fair value hierarchy if they don’t have a published NAV.

Fixed-income securities are composed of U.S. government securities, U.S. government agency securities, municipal bonds, and corporate bonds. The fair value of U.S. government securities, U.S. government agency securities, municipal bonds, and corporate bonds is estimated using recently executed transactions, market price quotations (where observable), or bond spreads. If the spread data does not reference the issuer, then the data that reference a comparable issuer is used. These fixed-income securities are generally categorized in Level 2 of the fair value hierarchy.

The Plan uses NAV to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement policies of an investment company or have the attributes of an investment company.

The Plan assets and liabilities measured at fair value as of June 30, 2022 and 2021, are as follows:

2022	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Assets:					
Invested cash	$ 15,349	$ -	$ -	$ -	$ 15,349
Equity investments	66,682	-	-	-	66,682
Fixed Income mutual funds	12,577	-	-	76,457	89,034
Fixed income:					
Corporate bonds	-	279,284	-	-	279,284
Municipal bonds	-	11,648	-	-	11,648
U.S. government agency	-	21,657	-	-	21,657
U.S. government	-	176,248	-	-	176,248
Total fixed income	-	488,837	-	-	488,837
Investments measured at NAV:					
Marketable alternative equity	-	-	-	38,616	38,616
Total investments measured at NAV	-	-	-	38,616	38,616
Total assets	$ 94,608	$ 488,837	$ -	$ 115,073	698,518
Payable for investment purchases					(8,832)
Total net assets					$ 689,686

2021	Level 1	Level 2	Level 3	Investments Measured at NAV	Total
Assets:					
Invested cash	$ 33,854	$ -	$ -	$ -	$ 33,854
Equity investments	81,429	-	-	-	81,429
Fixed Income mutual funds	17,367	-	-	107,558	124,925
Fixed income:					
Corporate bonds	-	338,848	-	-	338,848
Municipal bonds	-	14,733	-	-	14,733
U.S. government agency	-	24,530	-	-	24,530
U.S. government	-	229,327	-	-	229,327
Total fixed income	-	607,438	-	-	607,438
Investments measured at NAV:					
Marketable alternative equity	-	-	-	37,659	37,659
Total investments measured at NAV	-	-	-	37,659	37,659
Total assets	$ 132,650	$ 607,438	$ -	$ 145,217	885,305
Payable for investment purchases					(9,897)
Total net assets					$ 875,408

Defined Contribution Plans—The Archdiocese also has a defined contribution plan, which includes an employer matching contribution. The matching contribution is available to all lay benefit-eligible employees of the Pastoral Center, Parishes, and certain other affiliated entities. The employer match is 50% of an employee's contributions up to a maximum of 4% of gross salary. Vesting in the matching contribution occurs at 25% per year. Employees with four or more years of service are fully vested in their match. The Pastoral Center contributed and incurred expense of $4,675 and $0 for the plan in 2022 and 2021, respectively. The Archdiocese 403(b) plan's employer match was temporarily suspended as of June 2020. The Archdiocese 403(b) plan's employer match resumed in December 2022.

Effective July 1, 2007, the Archdiocese implemented a share plan to replace the defined benefit pension plan for full-time and benefit-eligible part-time employees (the "Share Plan"). Under the Share Plan, the Pastoral Center will make a contribution to the eligible employees' 403(b) retirement plan accounts. The contribution is a percentage of gross pay and is deposited each quarter. For eligible employees hired on or before June 30, 2007, the quarterly contribution will be an age-weighted percentage of the employee's gross earnings, and that percentage will increase as employees advance in age, based on age as of January 1st each year.

Share Plan contributions for employees who became eligible or were hired on or after July 1, 2007, are based on a flat percentage of gross earnings, regardless of age. The flat contribution can range from 1.25% to 5% as determined annually by the Archdiocese. The Share Plan has the same five-year cliff vesting as the defined benefit pension plan. The Pastoral Center contributed to the Share Plan and incurred expense of $4,406 and $0 in 2022 and 2021, respectively. The Share Plan was temporarily suspended as of January 2020. The Share Plan resumed in December 2022.

11. RELATED-PARTY TRANSACTIONS

Related parties include Catholic Charities, Mercy Home for Boys and Girls, Maryville Academy, Misericordia Home, Cemeteries, PRMAA, and Parishes.

Cemeteries transferred cash of $25,942 and $8,845 to the Pastoral Center during 2022 and 2021, respectively. The cash transfers were recorded as inter-entity transfers in the statements of activities.

The Pastoral Center received funding from Maryville for Office of Catechesis activities totaling $236 for 2022 and 2021.

12. CAPITAL CAMPAIGN (TTWCI) AND OTHER DEVELOPMENT EXPENSES

The To Teach Who Christ Is (TTWCI) capital fundraising campaign is an effort to raise $350,000 in funds to support parishes, Catholic education, and faith formation initiatives over a five-year period. The campaign is being managed in two distinct areas: a major gift portion with a fundraising goal of $100,000 and a parish phase seeking $250,000. Within the parish phase, 60% of the goal amount ($150,000) will be retained at parishes for parish-specific needs and 40% ($100,000) will be allocated to Archdiocese-level needs. Overall, the campaign is expected to provide $150,000 for parishes, $150,000 for a scholarship endowment, $30,000 for urgent capital repairs, $12,000 for religious education programs, and $8,000 for academic excellence in Catholic schools. An independent trust, Catholic Education Scholarship Trust (CEST), has been established to oversee and manage the scholarship endowment. CEST receives some contributions directly from donors. The TTWCI capital fundraising campaign active solicitation efforts concluded in 2017, but the corresponding pledge fulfillment efforts continue. Ongoing TTWCI fulfillment continues to fund TTWCI campaign programs. Campaign activity and other development efforts for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
TTWCI contributions	$ 1,190	$ 2,391
Parish allocation	(522)	(810)
Uncollectible pledge provision (expense) benefit	-	-
Net contributions from TTWCI Campaign	$ 668	$ 1,581
Contributions to CEST	$ -	$ 793
Catholic schools and Catechesis support	40	1,039
CARITAS scholarships	405	1,017
TTWCI fundraising expenses	115	344
Distributions and expenses from TTWCI Campaign	560	3,193
Other development expenses	2,520	2,521
Net distributions from TTWCI Campaign and other development	$ 3,080	$ 5,714

13. ANNUAL CATHOLIC APPEAL

The Annual Catholic Appeal (the "Appeal") supports the work of the schools, programs, agencies, and ministries of the Archdiocese that serve the educational, physical, and spiritual needs of its people. Through Catholic Relief Services, the Appeal also serves those overseas devastated by natural disasters, illness, wars, and famine. Parish goals for the Appeal are predominately set at 4% or 7% of their offertory income, based on the average household income of the neighborhood in which the parish resides. Donations received by a parish in excess of its goal are returned to the parish as a rebate less an administrative charge that is retained by the Pastoral Center if certain rebate levels are achieved.

Appeal activity for the years ended June 30, 2022 and 2021, is as follows:

	2022	**2021**
Contributions	$ 15,570	$ 14,070
Parish rebates	(3,843)	(2,681)
Uncollectible pledge provision expense	(430)	(486)
Net contributions from Annual Catholic Appeal	$ 11,297	$ 10,903
Pastoral Center program and grant support	$ 9,573	$ 9,287
Fundraising expenses	1,179	1,071
Specific distribution to Catholic Relief Services	545	545
Total distributions	$ 11,297	$ 10,903

14. FUNCTIONAL EXPENSES

The following is a summary of expenses by functional classification and reconciliation to total expenses for the year ended June 30, 2022:

Functional Expenses	Program Activities	Management and General	Fundraising and Development	Total Expenses
Salaries and employee benefits:				
Salaries	$ 32,290	$ 17,731	$ 1,782	$ 51,803
Employee benefits	2,116	3,201	371	5,688
Payroll taxes	1,368	1,146	129	2,643
Total salaries and employee benefits	35,774	22,078	2,282	60,134
Parish, school and affiliated entities:				
Employee benefits program	71,190	-	-	71,190
Insurance expense	48,042	-	-	48,042
Support for parishes and schools	16,806	-	-	16,806
Contributions to PRMAA	7,376	-	-	7,376
Interest expense on deposits and investments returns	(7,876)	-	-	(7,876)
Total parish, school, and affiliated entities	135,538	-	-	135,538
Operating expenses:				
Program expenses	14,107	1,336	207	15,650
Professional fees	16,824	6,242	965	24,031
Contributions to CEST and CARITAS scholarships	405	-	-	405
Facility costs	3,344	2,472	11	5,827
Seminary and vocation program expenses	2,734	273	255	3,262
Printing, postage, and office expenses	270	2,439	-	2,709
Contributions, grants, and assessments	1,178	278	101	1,557
Meals, travel, and transportation	(1,121)	54	-	(1,067)
Total operating expenses	37,741	13,094	1,539	52,374
Other expenses:				
Interest expense—borrowings	-	17,500	-	17,500
Depreciation and accretion	2,318	3,111	-	5,429
Total other expenses	2,318	20,611	-	22,929
Total expenses	$ 211,371	$ 55,783	$ 3,821	$ 270,975

The following is a summary of expenses by functional classification and reconciliation to total expenses for the year ended June 30, 2021:

Functional Expenses	Program Activities	Management and General	Fundraising and Development	Total Expenses
Salaries and employee benefits:				
Salaries	$ 27,606	$ 17,063	$ 1,899	$ 46,568
Employee benefits	1,960	3,120	399	5,479
Payroll taxes	1,445	1,099	135	2,679
Total salaries and employee benefits	31,011	21,282	2,433	54,726
Parish, school and affiliated entities:				
Employee benefits program	65,283	-	-	65,283
Insurance expense	45,004	-	-	45,004
Support for parishes and schools	8,132	-	-	8,132
Contributions to PRMAA	7,223	-	-	7,223
Interest expense on deposits and investments returns	31,182	-	-	31,182
Total parish, school, and affiliated entities	156,824	-	-	156,824
Operating expenses:				
Program expenses	8,120	1,229	62	9,411
Professional fees	13,960	5,413	1,324	20,697
Contributions to CEST and CARITAS scholarships	1,580	-	-	1,580
Facility costs	1,313	2,355	11	3,679
Seminary and vocation program expenses	3,859	43	-	3,902
Printing, postage, and office expenses	2,399	289	236	2,924
Contributions, grants, and assessments	284	2,992	-	3,276
Meals, travel, and transportation	690	160	5	855
Total operating expenses	32,205	12,481	1,638	46,324
Other expenses:				
Interest expense—borrowings	-	7,753	-	7,753
Depreciation and accretion	2,383	3,311	-	5,694
Total other expenses	2,383	11,064	-	13,447
Total expenses	$ 222,423	$ 44,827	$ 4,071	$ 271,321

The Pastoral Center classifies expenses into three functional areas: program activities, management and general and fundraising and development. Program activities includes all expenses directly related to the mission and ministry of the parishes, schools, seminaries, and other affiliated agencies of the Archdiocese. Management and general expenses represent the administrative costs of the Pastoral Center in providing support and services to parishes and schools. Fundraising and development expenses includes expenses related to the solicitation of contributions. All costs are recorded directly to the functional area.

15. LEASES

Lessee Disclosures

The Pastoral Center's lessee arrangement consists of agreements to lease certain office space, copiers, scanners, vehicles, etc. The initial terms of the leases range from 1 year to 10 years. Most leases have options to renew at then prevailing market rates. As any extension or renewal is at the sole discretion of The Pastoral Center and at this date, is not certain, the renewal options are not included in the calculation of the ROU asset or lease liability. All office leases are classified as operating leases, and equipment leases are classified as finance leases due to the bargain purchase option. The Pastoral Center has agreements with the various affiliates, which are related parties, but these agreements are nominal. As there is no exchange of consideration, they are not deemed to be lease agreements to be evaluated under ASC 842. As of June 30, 2022, the Pastoral Center recognized operating and financing lease right-of-use assets and lease liabilities amounting to $414 and $421, respectively, within the statement of financial position.

The components of lease expense were as follows:

	For the Year Ended June 30, 2022
Lease cost:	
Operating lease cost	$ 34
Financing lease cost:	
Amortization of right-of-use assets	84
Interest on lease liabilities	9
Total lease cost	$ 127

Supplemental cash flow information related to leases was as follows:

	For the Year Ended June 30, 2022
Operating cash flows payments for operating leases	$ 35
Operating cash flows payments for finance leases—interest	9
Financing cash flows payments for finance leases—principal	89

Supplemental statement of financial position information related to leases was as follows:

	As of June 30, 2022
Weighted Average Remaining Lease Term	
Operating leases	3.25 years
Finance leases	3.67 years
Weighted Average Discount Rate	
Operating leases	3.00 %
Finance leases	3.00 %

The maturity of lease liabilities as of June 30, 2022 were as follows:

	Operating Leases	Finance Leases
2023	$ 36	$ 89
2024	36	89
2025	37	89
2026	9	54
2027	-	-
Thereafter	-	-
Total lease payments	118	321
Less imputed interest	(5)	(13)
Total	$ 113	$ 308

Lessor Disclosures

The Archdiocese of Chicago entered into a lease agreement with a telecommunications provider in 2002 to lease its excess Instructional Television Fixed Service (‘ITFS’) capacity. In 2007, the lease was renewed for an additional five years. As of April 12, 2013, the Archdiocese of Chicago entered into a new lease with Clearwire Spectrum Holdings III LLC, effectively replacing the second renewal term of the existing lease. At that time, the existing lease was in its second renewal term, which began June 14, 2012. The initial term of the new lease began in May 2013 and ends in June 2030, when the lessee first has the option to terminate the lease in writing with respect to the license of call sign WND546.

During the year ended June 30, 2022, the Pastoral Center recognized rental revenue of $2,557 for the ITFS lease. The table below summarizes the expected annual lease revenue to be received by the Pastoral Center for the ITFS lease for the years ended June 30:

	Rental Revenue
2023	$ 2,557
2024	2,557
2025	2,557
2026	2,557
2027	2,557
Thereafter	7,567

Additionally, the Archdiocese of Chicago entered into a lease agreement with the Children's Hospital in 2008 to lease the land on the 155 East Superior property. The initial term of the lease began in May 2008 and ends in May 2107. The agreement was entered into for lease of land subject to permitted exceptions for a term of 99 years commencing on the date when the landlord tenders possession of the premises to the tenant. The agreement gives the tenant a right to renew the term of lease for 2 additional 25-year periods.

During the year ended June 30, 2022, the Pastoral Center recognized rental revenue of $390 for the land lease. The table below summarizes the expected annual lease revenue to be received by the Pastoral Center for the land lease for the years ended June 30:

	Rental Revenue
2023	$ 390
2024	390
2025	390
2026	390
2027	390
Thereafter	31,380

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