GT Reilly & Company
CPAs and Advisors

Audited Financial Statements

Saint John's Seminary

June 30, 2025

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& Company
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Independent Auditors' Report

To the Trustees
Saint John's Seminary

Opinion

We have audited the accompanying financial statements of St. John's Seminary (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. John's Seminary as of June 30, 2025 and 2024, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. John's Seminary 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 St. John's Seminary's ability to continue as a going concern within 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the 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 St. John Seminary'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 St. John's Seminary'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.

G. T. Reilly & Company

G.T. Reilly & Company

Milton, Massachusetts
December 15, 2025

Statements of Financial Position

June 30

	2025	2024
Assets		
Cash and cash equivalents	**$ 319,791**	$ 1,342,050
Tuition receivable	**20,771**	15,106
Grant pledge receivable	**-**	25,000
Interest and dividends receivable	**364,296**	390,008
Prepaid expenses and other assets	**108,076**	31,340
Note receivable, related organization	**34,331,770**	34,420,823
Investments, at fair value	**38,524,654**	38,388,679
Interest in the net assets of related foundation	**5,065,390**	7,771,010
Beneficial interests in trusts	**779,058**	712,092
Land, buildings and equipment, net	**20,160,110**	17,939,641
TOTAL ASSETS	**$ 99,673,916**	$ 101,035,749
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 424,398**	$ 305,510
Deferred revenue	**5,900**	10,200
TOTAL LIABILITIES	**430,298**	315,710
Net Assets:		
Without donor restrictions	**65,966,052**	65,478,476
With donor restrictions	**33,277,566**	35,241,563
	99,243,618	100,720,039
TOTAL LIABILITIES AND NET ASSETS	**$ 99,673,916**	$ 101,035,749

The accompanying notes are an integral part of these financial statements.

Statements of Activities

Year Ended June 30

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT						
Tuition, fees, and room and board	**$ 3,292,851**	**$ -**	**$ 3,292,851**	$ 3,730,436	$ -	$ 3,730,436
Less financial aid	**(2,132,429)**	**-**	**(2,132,429)**	(1,386,746)	-	(1,386,746)
Net tuition, fees, and room and board	**1,160,422**	**-**	**1,160,422**	2,343,690	-	2,343,690
Contributions, grants and bequests	**475,147**	**104,229**	**579,376**	637,141	150,487	787,628
Matching gifts	**18,195**	**-**	**18,195**	15,350	-	15,350
Other revenues	**70,336**	**-**	**70,336**	96,073	-	96,073
Net assets released from restrictions	**4,188,722**	**(4,188,722)**	**-**	2,690,567	(2,690,567)	-
TOTAL OPERATING REVENUES AND SUPPORT	**5,912,822**	**(4,084,493)**	**1,828,329**	5,782,821	(2,540,080)	3,242,741
OPERATING EXPENSES						
School of Theology	**2,771,062**	**-**	**2,771,062**	3,245,075	-	3,245,075
School of Masters in Ministry	**409,970**	**-**	**409,970**	384,901	-	384,901
Redemptoris Mater	**170,582**	**-**	**170,582**	170,482	-	170,482
Management and general	**2,066,664**	**-**	**2,066,664**	1,878,604	-	1,878,604
Fundraising/Mission Advancement	**933,947**	**-**	**933,947**	715,394	-	715,394
TOTAL OPERATING EXPENSES	**6,352,225**	**-**	**6,352,225**	6,394,456	-	6,394,456
NET OPERATING ACTIVITIES	**(439,403)**	**(4,084,493)**	**(4,523,896)**	(611,635)	(2,540,080)	(3,151,715)
NON-OPERATING ACTIVITIES						
Change in interest in net assets of related foundation	**-**	**192,949**	**192,949**	-	5,123,912	5,123,912
Change in value of beneficial interests in trusts	**-**	**66,966**	**66,966**	-	75,625	75,625
Realized and unrealized gains on investments	**360,203**	**832,404**	**1,192,607**	1,291,590	1,994,637	3,286,227
Interest and dividend income	**566,776**	**1,028,177**	**1,594,953**	358,213	1,184,139	1,542,352
NET NON-OPERATING ACTIVITIES	**926,979**	**2,120,496**	**3,047,475**	1,649,803	8,378,313	10,028,116
(DECREASE) INCREASE IN NET ASSETS	**487,576**	**(1,963,997)**	**(1,476,421)**	1,038,168	5,838,233	6,876,401
NET ASSETS AT BEGINNING OF YEAR	**65,478,476**	**35,241,563**	**100,720,039**	64,440,308	29,403,330	93,843,638
NET ASSETS AT END OF YEAR	**$ 65,966,052**	**$ 33,277,566**	**$ 99,243,618**	$ 65,478,476	$ 35,241,563	$ 100,720,039

The accompanying notes are an integral part of these financial statements.

Statements of Functional Expenses

Year Ended June 30

	2025						2024					
	School of Theology	Masters of Ministry	Redemptoris Mater	Management and General	Fundraising	Total	School of Theology	Masters of Ministry	Redemptoris Mater	Management and General	Fundraising	Total
Faculty salary and benefits	$ 550,305	$ 372,635	$ 22,254	$ 721,466	$ 432,282	$ 2,098,942	$ 493,725	$ 345,742	$ 20,726	$ 790,730	$ 433,934	$ 2,084,857
Clergy salary and benefits	410,566	-	88,285	136,446	-	635,297	423,175	-	82,028	129,087	-	634,290
Education assistance	126,605	-	-	46	675	127,326	261,015	-	-	-	5,251	266,266
Professional services	179,762	21,905	-	236,831	51,375	489,873	208,190	21,327	-	191,266	51,917	472,700
Insurance	74,105	-	-	29,992	33,877	137,974	2,150	-	-	160,723	-	162,873
Office expense	98,470	4,895	-	59,108	81,998	244,471	48,811	4,408	-	105,606	108,098	266,923
Occupancy	132,964	5,443	40,029	383,378	56,605	618,419	28,020	5,344	45,152	354,839	3,971	437,326
Conference and travel	36,446	4,487	-	25,092	143,934	209,959	40,186	8,080	-	23,453	99,204	170,923
Student insurance	328,757	-	-	-	-	328,757	435,076	-	-	-	-	435,076
Household expenses	526,095	605	20,014	240,311	714	787,739	761,226	-	22,576	-	6,682	790,484
Depreciation	286,723	-	-	233,994	131,076	651,793	520,611	-	-	85,748	6,124	612,483
Other	20,264	-	-	-	1,411	21,675	22,890	-	-	37,152	213	60,255
	$ 2,771,062	$ 409,970	$ 170,582	$ 2,066,664	$ 933,947	$ 6,352,225	$ 3,245,075	$ 384,901	$ 170,482	$ 1,878,604	$ 715,394	$ 6,394,456

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the Year Ended June 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ (1,476,421)**	$ 6,876,401
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Net realized and unrealized gains on investments	**(1,192,365)**	(3,286,160)
Change in value of beneficial interest in trusts	**(66,966)**	(75,625)
Change in interest in net assets of related foundation	**(192,949)**	(5,123,912)
Depreciation	**651,793**	612,483
Related party charges offset against notes receivable	**89,053**	95,998
Changes in operating assets and liabilities:		
Increase/Decrease in:		
Interest and dividends receivable	**25,712**	(32,227)
Prepaid expenses and other assets	**(76,736)**	12,753
Tuition receivable, net of allowances	**(5,665)**	20,564
Due from related organization	**-**	35,676
Grant pledge receivable	**25,000**	-
Deposits	**-**	(5,090)
Deferred revenue	**(4,300)**	6,200
Accounts payable and accrued expenses	**118,888**	(742)
NET CASH APPLIED TO OPERATING ACTIVITIES	**(2,104,956)**	(863,681)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to land, buildings and equipment	**(2,872,261)**	(1,293,427)
Purchase of investments	**(172,369)**	(149,751)
Sales/redemptions of investments	**1,228,758**	1,957,112
Transfer of assets from related foundation	**2,898,569**	1,137,428
NET CASH PROVIDED BY INVESTING ACTIVITIES	**1,082,697**	1,651,362
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(1,022,259)**	787,681
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,342,050**	554,369
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 319,791**	$ 1,342,050
NONCASH INVESTING AND FINANCING ACTIVITIES		
Rent and other charges by lessor offset against note receivable	**$ 89,053**	$ 95,998

Notes to Financial Statements

June 30, 2025

Note 1 – Principal Activity and Summary of Significant Accounting Policies

Principal Activity – Saint John’s Seminary (“the Seminary”) was incorporated in Massachusetts as a nonprofit religious organization in 1883. The Seminary is a Roman Catholic Archdiocese of Boston (“Corporation Sole”) professional and graduate theological school dedicated primarily to the intellectual, cultural, and spiritual preparation of the seminarians for the priesthood. The Seminary’s primary sources of funding are tuition and fees for students, room and board for the seminarians, investment income and contributions.

The Archbishop of Boston, by virtue of his office, serves as chairman of the Seminary and numerous other separately incorporated Catholic organizations that operate within the Archdiocese of Boston. While these organizations are considered to be related organizations of the Seminary, their financial activities are not presented as part of the accompanying financial statements.

Financial Statement Presentation – As a not-for-profit organization, the Seminary presents in its statements of financial position and changes in net assets, two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions – Net assets that are available for use in general operations and not subject to donor restrictions. At its discretion, the Board of Trustees may designate net assets without donor restrictions for specific purposes.

Net Assets With Donor Restrictions – Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met with the passage of time, the occurrence of events, or by the use of the funds as specified by the donor. Other donor-imposed restrictions may be perpetual in nature where the donor stipulates that the funds be maintained in perpetuity.

See Note 10, “Net Assets with Donor Restrictions”.

Contributions – The Seminary evaluates whether transactions should be accounted for and reported as contributions or as exchange transactions such as revenues from contracts with students or customers, and whether a contribution is conditional or unconditional.

A contribution represents a nonreciprocal transaction where the grantor or donor does not receive a benefit of commensurate value in return for the assets or resources provided to the Seminary. In an exchange transaction, the resource provider receives a benefit or something of commensurate value in return for the resources provided to the Seminary. Exchange transactions such as contracts with students are recorded under revenue recognition accounting standards (see below), and include instances where a transfer of assets represents a payment from a third-party payer on behalf of an existing contract between the Seminary and an identified student or customer receiving the benefit. However, where the benefit or potential benefit is received by the public or segments thereof, and the resource provider (such as a foundation, government agency, corporation, or other entity), only receives indirect or incidental benefit that is not of commensurate value, the transaction is considered a contribution for accounting purposes.

Donor-restricted contributions and other support are recorded as "net assets with donor restrictions" when received or pledged. When a temporary donor-imposed restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, related amounts of "net assets with donor restrictions" are reclassified to "net assets without donor restrictions" and reported in the statement of activities as "net assets released from restrictions".

Note 1 – Principal Activity and Summary of Significant Accounting Policies (Cont.)

Contributions made with donor-imposed restrictions to maintain the principal in perpetuity (endowments), while allowing the use of income generated therefrom, are also classified as "net assets with donor restrictions". Income derived from the investment of these perpetual net assets is reported as an increase in "net assets without donor restrictions" or "net assets with donor restrictions" depending on the terms of the donor instrument. Unrealized gains or losses on perpetual net assets are reported as increases or decreases in "net assets with donor restrictions" unless the donor explicitly states otherwise.

Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions, including promises to give, to the Seminary that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized as support when the conditions on which they depend are substantially met, that is, when the conditional contribution, grant or promise becomes unconditional. Until such time as the conditions are met, any such contributions received are reported as liabilities of the Seminary. Conditional grants and promises to give are not recorded as assets or support until the conditions are met.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. Estimates are sometimes involved in the determination of the fair value of the Seminary's investments (see below and Note 4) and in determining the useful lives of land improvements, buildings and equipment for the purpose of providing for depreciation (see below and Note 7).

Cash and Cash Equivalents – The Seminary considers short-term, highly-liquid investments with original maturities of three months or less to be cash equivalents for presentation purposes in the statement of financial position and the statement of cash flows.

Revenue Recognition – The Seminary recognizes revenue to depict the transfer of promised services or goods to students and others in an amount that reflects the consideration to which it expects to be entitled in exchange for those services or goods. Revenue is recognized either at a point in time (when), or over time (as), a performance obligation is satisfied.

The revenue recognition policies do not apply to revenues and support that are covered under other accounting standards such as contributions and investment earnings, gains and losses. The Seminary's revenues from contracts with students and others, and the related methods of recognition are summarized as follows:

Tuition, Fees, and Room and Board Revenue – The Seminary recognizes revenue from student tuition and fees during the fiscal year in which the related services are provided to students. The performance obligation of delivering educational services is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the academic year. In addition, the seminarians are charged room and board to live on premise during the school year. Contracts for tuition, fees, and room and board are combined into a single portfolio of similar contracts. Payment for tuition, room and board is required before the start of the academic year. All amounts received prior to the commencement of the academic year are recorded as liabilities and revenue recognition is deferred to the applicable period. Scholarships provided to students are recorded as reductions to tuition, fees, and room and board at the time the revenue is recognized.

The Seminary's tuition receivable and deferred revenues are as follows at June 30:

	2025	2024	2023
Tuition Receivable	**$ 20,771**	$ 15,106	$ 35,670
Deferred revenues	**$ 5,900**	$ 10,200	$ 4,000

Note 1 – Principal Activity and Summary of Significant Accounting Policies (Cont.)

Promises to Give – Unconditional promises to give to the Seminary are initially recorded as support at fair value in the period the donor pledge or commitments are made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions to be received after one year are discounted as a rate commensurate with the risk involved. Amortization of the discount is recorded as contributed support. Promises to contribute over a period of years are considered restricted for use in the period the promise is fulfilled, unless the donor states otherwise. Allowances are made for potentially uncollectible promises based upon past experience and other relevant factors.

Contributed Services – The Seminary recognizes contributed services it receives as support in the statement of activities with an equal amount recognized as expense if the services provided require special skills and would need to be purchased by the Seminary if not contributed. There were no contributed services recorded during 2025 and 2024.

Accounting for Credit Losses on Financial Instruments – In estimating credit loss allowances on certain financial instruments, the Seminary applies the "current expected credit loss" model (CECL). The CECL model requires that an estimate be recorded of expected credit losses over the life of a financial asset or a financial asset group, and it requires consideration of a broad range of information to determine credit loss estimates based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of a reported financial asset amount. The allowance for credit losses under the CECL model applies to financial assets with contractual rights to receive cash that are subject to potential credit losses and that are measured at cost or amortized cost. It also applies to certain off-balance sheet credit exposures. The Seminary's financial instruments that are subject to the CECL accounting standard consist of its tuition receivable and a note receivable.

Tuition Receivable, Note Receivable and Allowance for Credit Losses – The Seminary's tuition receivable and note receivable are required to be stated net of allowances for credit losses, unless the expectation of nonpayment is zero or insignificant. Any such allowance would be reported on the face of the Seminary's statement of financial position. The allowance is established via a provision for estimated credit losses charged to operations. In determining an estimate of the Seminary's expected credit losses, management evaluates the Seminary's historical credit loss experience, information related to the students' or responsible parties' creditworthiness, changes in its credit policies, and the current and forecasted direction of the economic and business environment of the Seminary and its students. Historical loss experience, the amount of time an account may be overdue, and current information with regard to student accounts with significant balances are evaluated on an individual basis.

The Seminary's policy is to write-off account balances or portions thereof against the allowance, if any, or as a charge to operations when management believes that the collectability of a specific account or amount is unlikely. Likewise, subsequent recoveries of accounts previously written-off are credited to the allowance or to operations.

There were no allowances for credit losses provided as of June 30, 2025 and 2024 because management's expectation of nonpayment was insignificant.

Beneficial Interests in Trusts – The Seminary is the beneficiary of a number of charitable trusts (split interest agreements). The Seminary's beneficial interest in such trusts are reported in the statement of financial position. The Seminary initially recognizes a contribution in its statement of activities as well as its interest in the underlying investment in its statement of financial position, at an amount which is determined based on the specified amount or percentage of the fair value of the trusts' assets that represent the Seminary's beneficial interest. For agreements and trust assets maintained by an outside trustee, the Seminary includes in its beneficial interest in the charitable trusts the fair value of the estimated future benefits to be received when the assets are distributed.

Adjustments to reflect changes in the fair value of the trusts' investments, revaluation of the present value of the estimated future payments, and changes in actuarial assumptions during the term of the trust are made to the reported beneficial interest and recognized in the statement of activities.

Note 1 – Principal Activity and Summary of Significant Accounting Policies (Cont.)

Investments – The Seminary reports investments in marketable securities and pooled funds at their estimated fair values. Net realized gains and losses from the sale of investments as well as increases or decreases in the estimated fair value of investments held are reflected currently in the statement of activities as a component of "investment return", which also includes investment dividends (see Note 4).

Land, Buildings and Equipment – Land, buildings and equipment are stated at cost less accumulated provisions for depreciation. Maintenance and repairs are expensed as incurred, whereas major additions and purchases are capitalized. (See Note 7)

Depreciation is calculated and provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives for depreciation purposes are summarized as follows:

	Estimated Useful Lives
Buildings and building improvements	15 - 40 years
Furniture and equipment	5 years
Motor vehicles	5 years

Accounting for Assets Held by Others – The Seminary recognizes as an asset its interest in the net assets of other related organizations who hold funds that have been donated for the benefit of the Seminary. The recorded asset amount is adjusted for the Seminary's share of the change in the related organization's net assets via a charge or credit to the Seminary's statement of activities. Transfers of funds from the related organization are reported as reductions to the Seminary's recorded interest. (See Note 6)

Income Tax Status – The Seminary is included in the United States Catholic Conference Group Ruling and in the Official Catholic Directory and is therefore exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in these financial statements (see Note 14).

Functional Allocation of Expenses – The costs and expenses of providing program services and other activities (general and administrative support or fundraising/mission advancement) have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Costs and expenses related directly to a program or a supporting function are charged to that program or function, while other expenses are allocated to programs and/or supporting functions based on reasonable methods which include square footage, time spent and management's best estimates.

Evaluation of Subsequent Events – Management has evaluated subsequent events involving the Seminary for potential recognition or disclosure in the accompanying financial statements. Subsequent events are events or transactions that occurred after June 30, 2025 up through December 15, 2025, the date the accompanying financial statements were available to be issued.

Note 2 – Prior Year Joint Sale of Property, Note Receivable and Related Agreements

In 2007, the Seminary and Corporation Sole, a related organization (Note 1), sold buildings and land (owned partially by the Seminary and partially by Corporation Sole) to Boston College for $65 million. The sales price was allocated between Corporation Sole and the Seminary based upon the relative appraised values of the properties owned by each entity, which resulted in $44.2 million being allocated to the Seminary. Corporation Sole remitted $8.2 million of the sale proceeds and issued a $36.4 million promissory note to the Seminary (see Note 3).

Note 2 – Prior Year Joint Sale of Property, Note Receivable and Related Agreements (Cont.)

Simultaneous with the sale, certain buildings, including “St. John’s Hall”, were converted into condominiums, and the Seminary retained one of the condominium units in St. John’s Hall. As part of the property sale to Boston College in 2007, the Seminary agreed to lease a portion of the Saint John’s Hall condominium to Boston College for $1 per year over a 99-year term. This agreement was reflected in effect as a sale rather than as a lease and no portion of the property sale proceeds were deferred as advanced rental payments for the property’s use. Upon completion of the 99-year term, control and use of the leased portion of Saint John’s Hall reverts back to the Seminary.

Additionally, in 2007 the Seminary and Boston College entered into a put agreement. The agreement has a 50-year put option to require Boston College to purchase the Seminary’s retained condominium in St. John’s Hall for $10 million. During the period of this agreement, the Seminary has agreed not to sell or transfer the condominium to any other party. After the 50-year period, the put right will expire and Boston College will be provided with a permanent right of first refusal, which will entitle the College to match any third-party offer to purchase the condominium that the Seminary wishes to accept.

In 2016, the Seminary entered into an agreement with the College to terminate, the 2007 lease of its condominium in Saint John’s Hall. In consideration for the lease termination, the Seminary paid the College $5,000,000 (see Note 7).

Note 3 – Note Receivable from Related Organization

During October 2008, Corporation Sole entered into an unsecured ten-year promissory note with the Seminary for $36,408,400 owed to the Seminary from the August 2007 joint sale of property (see Note 2). The note is non-interest bearing and subordinated to all other liabilities, obligations, and indebtedness of Corporation Sole. In September of 2014, the Board of Trustees voted to extend the maturity date of the promissory note to August 23, 2027, when the note will become due and payable in its entirety. The Seminary’s Theological Institute rents space for both administrative and classroom activities from Corporation Sole. In lieu of cash payment on the note by the Seminary, an amount for rent and other services received by the Seminary is offset against the note receivable, $89,053 and $95,988 for the years ended June 30, 2025 and 2024, respectively (see Note 8). At June 30, 2025 and 2024, the note receivable balance totaled $34,331,770 and $34,420,823, respectively.

Note 4 – Investments

Investments are reported at fair value (Note 5) and consist of the following at June 30:

	2025		2024	
	Cost	**Fair Value**	Cost	Fair Value
Common Investment Fund	**$ 27,581,059**	**$ 38,322,463**	$ 28,329,206	$ 38,211,825
Catholic Endowment Fund	**146,956**	**202,191**	146,956	176,854
	$ 27,728,015	**$ 38,524,654**	$ 28,476,162	$ 38,388,679

The Seminary’s investments consist primarily of unit holdings in the Common Investment Fund established by the Roman Catholic Archbishop of Boston (RCAB) to provide common investment pools in which the Seminary and other related organizations may participate. The participants own units based upon a per-unit value at the time of purchase.

The Common Investment Fund incurs service fees from the RCAB for administrative and clerical services performed on behalf of the fund. These fees are reflected in the calculation of the value per unit.

The Common Investment Fund invests nearly all of its funds in the RCAB Collective Investment Partnership (the “Investment Partnership”), the underlying investments of which are primarily equity and fixed-income securities (U.S. Government and agency securities, asset-backed securities and corporate bonds) owned either directly or indirectly through mutual funds and private entities.

Note 4 – Investments (Cont.)

The Seminary's investments also consist of a limited partnership interest in the Catholic Endowment Fund, LP. The Catholic Endowment Fund was organized to operate as a private investment partnership designed for institutions, endowed charitable organizations and certain other Roman Catholic non-profit organizations. The assets of the Partnership may be invested with independent money managers to manage assets in separately managed accounts, or in other collective investment vehicles, such as exchange-traded funds, open-end mutual funds, and private investment funds.

Risks and Uncertainties – The Seminary's investment in the Common Investment Fund is exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with the underlying investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of financial position and the statements of activities.

Note 5 – Fair Value Measurements

The Seminary measures the fair values of assets and liabilities as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. A fair value hierarchy is used to prioritize the inputs to valuation techniques used to measure fair value. The Seminary classifies its assets and liabilities into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which observable market inputs are readily available), and Level 3 (securities valued based on significant un-observable inputs).

The Seminary measures the fair value of investments in certain entities that do not have a quoted market price based on the investees' calculated net asset value (NAV) per share or its equivalent. The Seminary reports its investments at the net asset value per unit on the valuation day.

The Seminary's financial assets that are reported at fair value on a recurring basis as of June 30, 2025 and 2024, by level within the fair value hierarchy, are presented in the table below.

June 30, 2025	**Level 1**	**Level 2**	**Level 3**	**Investments Measured at NAV (a)**	**Total**
Common Investment Fund	**$ -**	**$ -**	**$ -**	**$ 38,322,463**	**$ 38,322,463**
Catholic Endowment Fund	**-**	**-**	**202,191**	**-**	**202,191**
Beneficial interests in trusts	**-**	**-**	**779,058**	**-**	**779,058**
	$ -	**$ -**	**$ 981,249**	**$ 38,322,463**	**$ 39,303,712**
June 30, 2024					
Common Investment Fund	$ -	$ -	$ -	$ 38,211,825	$ 38,211,825
Catholic Endowment Fund	-	-	176,854	-	176,854
Beneficial interests in trusts	-	-	712,092	-	712,092
	$ -	$ -	$ 888,946	$ 38,211,825	$ 39,100,771

(a) In accordance with FASB ASC Subtopic 820-10, *Fair Value Measurements*, the Seminary's investment in the Common Investment Fund that is measured at fair value using the NAV per share (or its equivalent) practical expedient has not been classified within the fair value hierarchy. The fair value hierarchy amounts presented in this table are intended to permit reconciliation of the fair value hierarchy amounts to amounts presented in the statements of financial position.

During the years ended June 30, 2025 and 2024, the Seminary did not make any transfers between Level 1, Level 2, or Level 3 assets.

Note 5 – Fair Value Measurements (Cont.)

The changes in assets reported at fair value for which the Seminary has used Level 3 inputs to determine fair value, its beneficial interests in trusts (Note 12), are as follows at June 30:

	Beneficial Interests in Trusts 2025	Beneficial Interests in Trusts 2024
Balance, beginning of year	**$ 712,092**	$ 636,467
Change in value of beneficial interest in trusts	**66,966**	75,625
Balance, at end of year	**$ 779,058**	$ 712,092

The following table presents quantitative information about inputs used in Level 3 fair value measurements at June 30:

	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
2025				
Beneficial interest in trusts	$ 779,058	Market approach based on underlying securities	None	N/A

	Fair Value	Valuation Technique	Unobservable Input	Range (Weighted Average)
2024				
Beneficial interest in trusts	$ 712,092	Market approach based on underlying securities	None	N/A

The assets held in trust are managed by an independent third-party trustee, and the Seminary has no authority over investment decisions. Thus, they are considered to be valued using Level 3 inputs within the fair value hierarchy.

The Seminary considers investment holdings included in the investment portfolio to be liquid and without restrictions for redemption, except for alternative strategies. The following table sets forth the liquidity, redemption policies, and unfunded commitments of the Seminary's investments that have been accounted for using NAV or its equivalent as a practical expedient for calculating fair value at June 30:

2025	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Common Investment Fund	**$ 38,322,463**	**None**	**Monthly**	**15 days**
Catholic Endowment Fund	**$ 202,191**	**None**	**Monthly**	**15 days if under 5%, 95 days for all others**

2024	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Investment Fund	$ 38,211,825	None	Monthly	15 days
Catholic Endowment Fund	$ 176,854	None	Monthly	15 days if under 5%, 95 day for all others

Note 5 – Fair Value Measurements (Cont.)

The Common Investment Fund is a Massachusetts trust established in 1970 to act and serve as an investment pool for corporations, organizations, associations, trusts or other legal entities which are under the direction and control of, or related to, the Corporation Sole and related organizations who are exempt from taxation under Section 501(c)(3) of the IRC (see Note 4).

The Common Investment Fund seeks to achieve its investment objective of maximizing long-term return by investing substantially all of its net investable assets through a master-feeder structure in the Partnership. The investment objective of the Partnership is to maximize long-term total return, primarily by investing in equity securities, investment grade debt and fixed income securities. State Street Corporation is the primary custodian of the Partnership's assets and record keeper of all related activities. The performance of the Common Investment Fund is directly affected by the performance of the Partnership.

Note 6 – Interest in the Net Assets of Related Foundation

The Seminary is the beneficiary of donations collected on its behalf, primarily for tuition assistance and building renovations, by the Catholic Community Fund of the Archdiocese of Boston, Inc. (the "Foundation"), a related organization. As discussed in Note 1, the Seminary has recorded its interest in the Foundation's net assets of $5,065,390 and $7,771,010 at June 30, 2025 and 2024, respectively.

The change in the Seminary's interest in the Fund is reflected in the statement of activities as an increase in net assets of $192,949 and $5,123,912 for the years ended June 30, 2025 and 2024, respectively, are primarily as a result of contributions to the Fund, changes in the values of the Fund's investments and other investment returns. Contributions to the Fund during the year ended June 30, 2024 include a significant amount contributed for building renovations to the Seminary, approximately $5 million (see Note 10). Transfers of funds from the Foundation totaled $2,898,566 and $1,137,248 for the years ended June 30, 2025 and 2024, respectively.

Note 7 – Land, Buildings and Equipment

Land, buildings and equipment consist of the following at June 30:

	2025	2024
Land and land improvements	**$ 381,148**	$ 381,148
Buildings and improvements	**24,854,932**	24,820,598
Furniture and equipment	**2,698,010**	2,664,223
Motor vehicles	**22,829**	22,829
St. John's Hall condominium	**5,109,622**	5,109,622
Building masonry renovation in process	**3,853,552**	1,049,411
	36,920,093	34,047,831
Less accumulated provisions for depreciation	**(16,759,983)**	(16,108,190)
	$ 20,160,110	$ 17,939,641

Depreciation expense totaled $651,793 and $612,483 for the years ended June 30, 2025 and 2024, respectively. Depreciation has not been provided on the St. John's Hall condominium since it is not in use by the Seminary. Provisions for depreciation are not provided on the costs of construction projects until the projects are completed and considered placed into service by the Seminary.

Building Masonry Renovation in Process – At June 30, 2025 and 2024, costs have been incurred on a building exterior masonry restoration project. The project commenced in January 2024 and was completed subsequent to the fiscal year in August 2025 at a total cost of approximately $4.73 million. Funding for this project was provided through donations received by the Catholic Community Fund on behalf of the Seminary and restricted for building renovations in the amount of $5 million (see Note 6 and 10).

Note 8 – Other Related Party Transactions

Employee Benefit Costs – The Seminary participates with other Catholic organizations in lay-employee health, dental, life and disability benefit plans that are considered related organizations. Expenses incurred by the Seminary for the benefit of lay employees under these plans were $271,977 and $266,364 for the years ended June 30, 2025 and 2024, respectively.

The Seminary also participates with other Catholic organizations in the Archdiocese of Boston Clergy Medical/Hospitalization Trust, a related organization. Expenses incurred by the Seminary for the benefit of clergy under this plan were $156,858 and $105,055 for the years ended June 30, 2025 and 2024, respectively.

Insurance – The Seminary purchases general liability, automobile, fire and theft, crime, boiler and workers' compensation insurance through a pooled insurance program of Corporation Sole. Related insurance expense for this coverage was $131,374 and $127,532 for the years ended June 30, 2025, and 2024, respectively.

Redemptoris Mater – The Seminary paid an agreed-upon amount of housing expenditures for seminarians belonging to the Archdiocesan Missionary Seminary of Boston ("Redemptoris Mater") religious group, as well as clergy renumeration and related benefits for Redemptoris Mater order priests. Such expenditures totaled $170,584 and $170,481 for the years ended June 30, 2025 and 2024, respectively. The Seminary has also agreed to provide financial assistance to Redemptoris Mater seminarians for tuition and fees. Such amounts totaled $686,961 and $856,574 for the years ended June 30, 2025 and 2024, respectively. This financial assistance is included in financial aid in the accompanying statements of activities as a reduction to gross tuition, fees, and room and board.

Tuition – Corporation Sole remitted $1 million to the Seminary as a payment on tuition billings for students during the year ended June30, 2024 (none during 2025).

Note 9 – Employee Benefit Plan

The Seminary participates in the Archdiocese of Boston's 401(k) defined contribution plan. The Seminary makes participant matching contributions subject to formulas defined in the plan document. Contributions by the Seminary approximated $48,000 and $51,000 for the years ended June 30, 2025 and 2024, respectively. Each eligible employee may defer up to 100% of compensation subject to limits of the maximum amount allowed by law.

Note 10 – Net Assets With Donor Restrictions

The following is a summary of net assets with donor restrictions at June 30:

	2025	2024
Temporary in Nature	**$ 19,450,516**	$ 21,414,513
Perpetual in Nature	**13,827,050**	13,827,050
	$ 33,277,566	$ 35,241,563

Note 10 – Net Assets With Donor Restrictions (Cont.)

Restricted net assets which are temporary in nature consist of the following at June 30:

	2025	2024
Restricted for:		
Tuition assistance/scholarships	**$ 1,791,818**	$ 1,672,138
Other	**287,470**	336,140
	2,079,288	2,008,278
Unrealized net gains and losses on investments related to restricted endowment net assets (see below)	**13,111,000**	12,507,352
Beneficial interests in trusts (Note 12)	**779,058**	712,093
Interest in restricted net assets of related foundation that are temporary in nature:		
Accumulated income on endowment funds	**1,284,402**	1,206,891
Tuition assistance	**1,288,529**	1,279,309
Building renovations	**908,239**	3,700,590
	$ 19,450,516	$ 21,414,513

Restricted net assets which are perpetual in nature (endowments) consist of the following at June 30:

	2025	2024
Income restricted for:		
Scholarships	**$ 10,160,754**	$ 10,160,754
Facility maintenance	**1,184,463**	1,184,463
Operations	**736,644**	736,644
Masters of Ministry program	**160,969**	160,969
Interest in net assets of related foundation (Note 6)	**1,584,220**	1,584,220
	$ 13,827,050	$ 13,827,050

Net assets were released from donor restrictions by incurring expenses, by the occurrence of other events satisfying the restricted purposes, or by donors removing the restrictions, as follows, during the year ended June 30:

	2025	2024
Tuition assistance/scholarships	**$ 1,103,574**	$ 1,077,988
Interest in net assets of related foundation:		
For building renovations	**2,801,946**	1,049,410
For tuition assistance and other	**96,620**	88,018
Other	**186,582**	475,151
	$ 4,188,722	$ 2,690,567

Note 11 – Endowments

The Seminary's endowments consist of approximately 300 individual funds established for scholarships, one fund established for facility maintenance and three funds established to support general operations. Its endowments include both donor-restricted endowment funds and a fund designated by the Board of Trustees to function as an endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 11 – Endowments (Cont.)

Interpretation of Relevant Law – The Seminary has historically viewed the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Seminary to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Seminary classifies as permanently-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor-gift instrument at the time the accumulation is added to the fund. This is regarded as the “historic dollar value” of the endowment fund. The remaining portion of the donor-restricted endowment funds that are not considered restricted in perpetuity, and are regarded as “net appreciation”, are considered temporarily restricted net assets until those amounts are appropriated for expenditure by the Seminary.

It is the policy of the Seminary to appropriate for distribution on a quarterly basis 1% of the net assets of the endowment (including donor-restricted and board-designated endowments) as of the previous quarter-end. Consistent with MGL, the Seminary is allowed to spend from underwater funds, if any. In establishing this policy, the Seminary considered the long-term expected return on its endowments. Accordingly, over the long term, the Seminary expects the impact of the current spending policy to allow its endowments to grow at a nominal rate. This is consistent with the Seminary’s objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return. Actual distributions from the board-designated endowment may exceed the quarterly dividend upon approval of the Board of Trustees. There were no distributions in fiscal years ended June 30, 2025 and 2024.

Funds with Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the “historic dollar value”. Deficiencies of this nature are reported by a direct reduction to unrestricted net assets. There were no such deficiencies as of June 30, 2025 or 2024.

Endowment Investment Policy

The Seminary has adopted an investment philosophy which, combined with the spending rate, attempts to provide a predictable stream of returns thereby making funds available to programs that are supported by its endowment, while at the same time seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Seminary must hold in perpetuity or for donor-specified periods. Under the Seminary’s Investment Policy and spending rate, both of which are approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce an inflation-adjusted return in excess of the spending rate over a long period of time. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Seminary 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). The Seminary invests its investment portfolio in the Common Investment Fund which, in turn, invests in the Investment Partnership (Note 3). The Investment Committee of Corpor-ation Sole is responsible for selecting the investment managers of the Investment Partnership.

Note 11 – Endowments (Cont.)

Endowment net asset composition by type of fund are as follows at June 30:

		With Donor Restrictions		
	Without Donor Restrictions	Temporary in Nature	Perpetual in Nature	Total
2025				
Donor-restricted endowments	**$ -**	**$ 13,110,998**	**$ 12,242,830**	**$ 25,353,828**
Donor-restricted endowments at the foundation	**-**	**1,284,402**	**1,584,220**	**2,868,622**
Board-designated endowment	**7,364,458**	**-**	**-**	**-**
Endowment net assets	**$ 7,364,458**	**$ 14,395,400**	**$ 13,827,050**	**$ 28,222,450**
2024				
Donor-restricted endowments	$ -	$ 12,507,352	$ 12,242,830	$ 24,750,182
Donor-restricted endowments at the foundation	-	1,206,891	1,584,220	2,791,111
Board-designated endowment	8,143,020	-	-	-
Endowment net assets	$ 8,143,020	$ 13,714,243	$ 13,827,050	$ 27,541,293

Note 11 – Endowments (Cont.)

Changes in endowment net assets are as follows for the years ended June 30:

		With Donor Restrictions		
2025	**Without Donor Restrictions**	**Temporary in Nature**	**Perpetual in Nature**	**Total**
Endowment net assets, beginning of year	**$ 8,143,020**	**$ 13,714,243**	**$ 13,827,050**	**$ 27,541,293**
Investment income (losses), net	**$ 542,292**	**$ 1,860,581**	$ -	**$ 1,860,581**
Contributions and bequests	**-**	**-**	-	**-**
Appropriation of endowment assets for expenditure	**(1,320,854)**	**(1,256,935)**	-	**(1,256,935)**
Other changes:				
Transfer of net assets from foundation	**-**	**(96,620)**	-	**(96,620)**
Change in interest in net assets of foundation	**-**	**174,131**	-	**174,131**
Endowment net assets at end of year	**$ 7,364,458**	**$ 14,395,400**	**$ 13,827,050**	**$ 28,222,450**

		With Donor Restrictions		
2024	Without Donor Restrictions	Temporary in Nature	Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 8,909,305	$ 11,721,503	$ 13,827,050	$ 25,548,553
Investment income (losses), net	$ 1,073,481	$ 3,178,776	$ -	$ 3,178,776
Contributions and bequests	-	-	-	-
Appropriation of endowment assets for expenditure	(1,839,766)	(1,434,139)	-	(1,434,139)
Other changes:				
Transfer of net assets from foundation	-	(88,018)	-	(88,018)
Change in interest in net assets of foundation	-	336,121	-	336,121
Endowment net assets at end of year	$ 8,143,020	$ 13,714,243	$ 13,827,050	$ 27,541,293

Note 12 – Beneficial Interest in Trusts

Beneficial interests in trusts held by third parties consist of the following at June 30:

	2025	2024
Beneficial interest in perpetual trusts	**$ 779,058**	$ 712,092

Note 12 – Beneficial Interest in Trusts (Cont.)

The Seminary is one of the beneficiaries named in various trusts managed by third party trustees. Under the terms of the trust agreements, the Seminary is to receive quarterly or annual distribution payments.

The net change in the value of the Seminary's beneficial interest in these trusts is recorded as a credit or charge to the statements of activities. This change resulted in a gain of $66,969 and $75,625 for the years ended June 30, 2025 and 2024, respectively.

Note 13 – Financial Instruments and Concentrations of Credit Risk

The Seminary's significant financial instruments that are subject to concentrations of credit risk consist primarily of the following:

Cash and Cash Equivalents – The Seminary maintains it cash accounts in high quality financial institutions. At times, the amounts on deposit at any institution are in excess of insured limits. At June 30, 2025, there were no bank balances in excess of FDIC insurance limits. The Seminary also has approximately $231,000 on deposit with the RCAB at June 30, 2025. These funds are uninsured and pooled together with other related organizations' funds in the RCAB's revolving loan fund.

Note Receivable from Related Organization – Note 3 discusses the terms of a note receivable from Corporation Sole with a balance of approximately $34.3 million at June 30, 2025, which represents approx-imately 34% of the Seminary's total assets.

Investments – As more fully discussed in Note 4, substantially all of the Seminary's investments consist of Common Investment Funds administered by Corporation Sole, $38.3 million, which represents approx-imately 38% of the Seminary's total assets.

Interest in Net Assets of Related Foundation – As more fully discussed in Note 6, the Seminary's beneficial interest in the net assets of the Catholic Community Fund approximates $5,065,000 at June 30, 2025.

Note 14 – Income Taxes

The Seminary recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Seminary's management has reviewed the tax positions for open periods and determined that no provision for income tax is required in the Seminary's financial statements.

Note 15 – Liquidity and Availability of Resources

Financial assets and liquidity resources available for general expenditures within 12 months are as follows at June 30:

	2025	2024
Cash and cash equivalents	**$ 319,791**	$ 1,342,050
Tuition receivable	**20,771**	15,106
Grant pledge receivable	**-**	25,000
Interest and dividends receivable	**364,296**	390,008
Investments:		
Fiscal year endowments appropriation estimate under spending policy	**1,541,000**	1,536,000
Non-endowment investments	**5,806,368**	5,495,477
Total financial assets and liquidity resources available within one year	**$ 8,052,226**	$ 8,803,641

The Seminary's total operating expenses approximated $6.35 million and $6.4 million for the years ended June 30, 2025 and 2024, respectively.