

ARCHDIOCESAN 403(b) SAVINGS PLAN

Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

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Independent Auditor's Report

**To the Most Reverend Paul D. Etienne
Roman Catholic Archbishop of Seattle and Plan Administrator
Archdiocesan 403(b) Savings Plan
Seattle, Washington**

Opinion

We have audited the financial statements of the Archdiocesan 403(b) Savings Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2024, 2023, and 2022, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024, 2023, and 2022, and the changes in its net assets available for benefits 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 Plan 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 Plan's ability to continue as a going concern for within one year after the date that the financial statements are issued or available to be issued.



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Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 Plan'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 Plan'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.

Clark Nuber P.S.

Certified Public Accountants
March 16, 2026

ARCHDIOCESAN 403(b) SAVINGS PLAN**Statements of Net Assets Available for Benefits
December 31, 2024, 2023, and 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Investments-			
Investments at fair value	\$ 127,202,691	\$ 114,902,058	\$ 96,574,771
Investments at contract value	<u>5,083,286</u>	<u>5,520,136</u>	<u>5,877,319</u>
Total investments	132,285,977	120,422,194	102,452,090
Notes receivable from participants	<u>375,612</u>	<u>310,662</u>	<u>374,948</u>
Net Assets Available for Benefits	<u><u>\$ 132,661,589</u></u>	<u><u>\$ 120,732,856</u></u>	<u><u>\$ 102,827,038</u></u>

See accompanying notes.

ARCHDIOCESAN 403(b) SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits For the Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Contributions and Investment Income (Loss):			
Contributions-			
Participant	\$ 12,034,328	\$ 10,949,770	\$ 10,570,612
Employer	428,295	336,404	295,312
Rollover	407,340	223,423	85,489
	<u>12,869,963</u>	<u>11,509,597</u>	<u>10,951,413</u>
Total contributions	12,869,963	11,509,597	10,951,413
Investment income (loss)-			
Net appreciation (depreciation)			
in fair value of investments	14,009,522	16,044,371	(19,574,118)
Dividends and interest	1,407,270	1,259,155	1,180,443
	<u>15,416,792</u>	<u>17,303,526</u>	<u>(18,393,675)</u>
Net investment income (loss)	15,416,792	17,303,526	(18,393,675)
Total Contributions and Investment Income (Loss)	28,286,755	28,813,123	(7,442,262)
Deductions:			
Benefits paid to participants	16,248,619	10,820,009	8,060,618
Administrative expenses	109,403	87,296	141,440
	<u>16,358,022</u>	<u>10,907,305</u>	<u>8,202,058</u>
Total Deductions	16,358,022	10,907,305	8,202,058
Net Increase (Decrease) in Net Assets Available for Benefits	11,928,733	17,905,818	(15,644,320)
Net Assets Available for Benefits:			
Beginning of year	120,732,856	102,827,038	118,471,358
End of Year	<u>\$ 132,661,589</u>	<u>\$ 120,732,856</u>	<u>\$ 102,827,038</u>

See accompanying notes.

ARCHDIOCESAN 403(b) SAVINGS PLAN

Notes to Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

Note 1 - Plan Description

The following description of the Archdiocesan 403(b) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of Plan provisions.

General - The Plan is a 403(b) tax deferred savings plan covering substantially all lay employees and priests actively assigned within the Corporation of the Catholic Archbishop of Seattle (the Archdiocese). The following are part of the Archdiocese and are covered by the Plan: all parishes, parish elementary schools, Archdiocesan Central Agencies (Chancery), John F Kennedy Memorial High School (Kennedy), and Washington State Catholic Conference. Participating employers in the Plan include St. Elizabeth Ann Seton Catholic High School, Priory of the Blessed Sacrament, Pope John Paul II High School, Fulcrum Foundation, Associated Catholic Cemeteries, Bishop Blanchet High School, and O'Dea High School (Participating Employers).

The Plan meets the definition of a church plan under Internal Revenue Code (IRC) Section 414(e). The Plan is a nonelecting church plan under IRC Section 410(d) and is not subject to the Employee Retirement Income Security Act of 1974.

Plan assets are not commingled with the assets of the Archdiocese or the other benefit plans the Archdiocese administers. The Archbishop is designated as the plan administrator and the Benefits Services Office of the Archdiocese handles the day-to-day operation of the Plan.

Eligibility - Any lay employee of the Archdiocese or Participating Employer or any individual who is ordained or incardinated as a priest of the Archdiocese of Seattle, are eligible for the Plan on their date of hire.

Contributions -

Participant Contributions - Participants may elect to defer up to 100% of their eligible compensation as pretax or Roth contributions. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other eligible retirement plans (rollover).

Employer Contributions for Lay Employees - Certain participating employers make matching contributions to the Plan based on the participant's contributions. Participants of these employers become eligible to receive matching contributions when they start participating in the Plan. The following participants are eligible to receive matching contributions in the following amounts:

Participants of Bishop Blanchet High School receive a match of 50% of the first 4% of eligible compensation that a participant contributes to the Plan. Effective July 1, 2024, participants of Kennedy also receive a match of 50% of the first 4% of eligible compensation that a participant contributes to the Plan. Participants of the Associated Catholic Cemeteries receive a match equal to 100% of eligible compensation deferred per calendar month up to a maximum of \$55 of matching contributions per calendar month.

ARCHDIOCESAN 403(b) SAVINGS PLAN

Notes to Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

Note 1 - Continued

Employer Contributions for Priests - Priests become eligible to receive matching contributions when they start participating in the Plan. Prior to July 1, 2023, Priests received matching contributions from 20% to 50% of their contribution, per pay period, based on each priest's year of birth, up to a maximum matching contribution of \$2,500. Effective July 1, 2023, Priests receive matching contributions of 25% of each \$1.00 of eligible compensation deferred per pay period, not to exceed \$3,500 per calendar year.

Contributions are subject to certain Internal Revenue Service (IRS) limitations.

Participant Accounts - Each participant's account is credited with the participant's contributions and Plan earnings. Eligible participants are credited with employer matching contributions. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Participants direct the investment of their account into various investment options offered by the Plan.

Vesting - Participants are immediately vested in employee and employer contributions plus actual earnings thereon.

Notes Receivable From Participants - Participants may borrow from their account a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account. Loans are secured by the balance in the participant's account. Interest rates are set at 1% above the prime rate, as defined. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits - Benefits are payable upon termination of service, retirement, death, or disability in the form of lump-sum or installment payments equal to the value of the participant's vested account. Participants who have attained age 59½ may also elect to receive a distribution of all or any portion of their vested account prior to termination of employment (in-service withdrawals). The Plan allows for hardship withdrawals in accordance with provisions specified in the Plan document. Participants may also elect to receive in-service withdrawals from balances rolled into the Plan.

Note 2 - Summary of Accounting Policies

Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates - The preparation of 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 amount of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

ARCHDIOCESAN 403(b) SAVINGS PLAN

Notes to Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

Note 2 - Continued

Investment Valuation and Income Recognition - Investments are reported at fair value except for fully benefit-responsive investment contracts which are reported at contract value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants - Notes receivable from participants are measured at their unpaid principal balance. Accrued but unpaid interest, if any, would not have a material impact on the Plan's financial statements. Related fees are recorded as administrative expenses and are expensed when they are incurred. If a participant ceases to make loan repayments and the plan administrator deems the loan to be in default, the loan balance is reduced, and a benefit payment is recorded.

Payment of Benefits - Benefits are recorded when paid.

Administrative Expenses - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Participating Employers. Expenses that are paid by the Participating Employers are excluded from these financial statements. Transaction based fees for notes receivable from participants and benefit payments are charged directly to participant accounts. Certain investment related expenses are charged directly against the fund's investment performance and, therefore, are not separately disclosed in the accompanying financial statements.

Subsequent Events - The Plan's management has evaluated subsequent events through March 16, 2026, the date the financial statements were available to be issued.

Note 3 - Fair Value Measurements

GAAP provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than the quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs that are significant to the fair value measurement.

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Notes to Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

Note 3 - Continued

The asset or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2024, 2023, or 2022.

Mutual Funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective Trust Funds - Valued at the NAV provided by the funds' trustee. These funds trade on a regular basis, have a published price that the Plan can obtain at any time, and are valued based on this published price.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

Fair Value Measurements as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 58,905,290	\$ -	\$ -	\$ 58,905,290
Collective trust funds	68,297,401			68,297,401
Total Investments at Fair Value	\$ 127,202,691	\$ -	\$ -	\$ 127,202,691

Fair Value Measurements as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 54,894,434	\$ -	\$ -	\$ 54,894,434
Collective trust funds	60,007,624			60,007,624
Total Investments at Fair Value	\$ 114,902,058	\$ -	\$ -	\$ 114,902,058

Fair Value Measurements as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 45,962,858	\$ -	\$ -	\$ 45,962,858
Collective trust funds	50,611,913			50,611,913
Total Investments at Fair Value	\$ 96,574,771	\$ -	\$ -	\$ 96,574,771

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Note 4 - Fully Benefit Responsive Investment Contract

The Plan entered into a fully benefit-responsive investment contract with Transamerica Life Insurance Company (TLIC). The contract meets the fully benefit-responsive criteria and is therefore reported at contract value. Contract value is the relevant measure for fully benefit responsive investment contracts because this is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals and administrative expenses.

TLIC is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The contract has a guarantee of principal, a guaranteed minimum, and the potential for additional interest if declared by TLIC. The crediting rate is based on a formula established by TLIC but may not be less than 1%. The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contract is dependent on TLIC's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with TLIC, such as premature termination of the contract by the Plan or termination of the Plan. Such events are not probable of occurring. There are no unfunded commitments and no restrictions on redemptions, except for the following:

- Participants cannot transfer their balances to competing fixed income funds. Balances transferred from this investment to non-competing funds cannot be transferred to competing fixed income funds for 90 days but may be transferred back to this fund at any time.
- Withdrawals due to events initiated by the Archdiocese may be subject to restriction.

Note 5 - Tax Status

The Plan has been designed to qualify under Section 403(b) of the IRC. The Plan's management and the Plan's tax counsel believe that the terms of the Plan have been prepared to conform with the requirements of Section 403(b) of the IRC and the Plan is currently being operated in a manner that would not jeopardize the tax benefits associated with these arrangements. The Plan is subject to routine audits by the IRS; however, there are currently no audits for any tax periods in progress.

Note 6 - Related Party Transactions

Payments made from the Plan to the Archdiocese for administrative services provided by the Benefits Services Office of the Archdiocese represent related party transactions.

Note 7 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

ARCHDIOCESAN 403(b) SAVINGS PLAN

Notes to Financial Statements

For the Years Ended December 31, 2024, 2023, and 2022

Note 8 - Plan Termination

The Archdiocese expects to continue the Plan indefinitely but reserves the right to terminate or amend the Plan at any time. No such amendment or termination shall deprive any participant of any vested interest in the Plan. Upon termination, the obligation of the Participating Employers to make contributions to the Plan shall cease.