

### **Appendix 30: Explanation of Parish Expansion Fund**

The Parish Expansion Fund is a nonprofit, separately incorporated entity organized to provide a centralized savings and loan program exclusively for the benefit of diocesan institutions (parishes, schools, other institutions). These funds are not available for use by the diocese for diocesan purposes. Each diocesan institution account is owned solely by that institution like a deposit account at any bank. The Parish Expansion Fund, while administered by the Diocese through a separate Service Agreement, is in place for the financial benefit of every parish and institution in the Diocese.

The savings portion of the Expansion Fund allow diocesan institutions to invest excess operating funds in a Demand Deposit type account earning interest. There is no chance for these funds to ever lose their principal value.

The Parish Expansion Fund deposit rates are updated annually. Rates are set by taking an average of local banks' rates and because the Parish Expansion Fund is not a "Brick and Mortar" entity; thus, it is able to offer more favorable demand deposit rates.

The loan portion of the Parish Expansion Fund then provides the framework through which these excess parish funds are pooled, safely and professionally invested with Bravera Wealth Management, and subsequently available for loans for capital projects at very favorable rates and terms. With an adequate level of pooled excess parish funds the Parish Expansion Fund is able to provide critical financial assistance to those parishes in need of low-cost funding for expansion or remodeling projects. The Diocese is the guarantor of all outstanding parish loans, therefore individual parish deposits are not at risk.

The Parish Expansion Fund publishes an annual report of its independently audited financial statements through its web site.