

Universidad del Sagrado Corazón
Pension Plan

Financial Statements and
Supplemental Schedule

June 30, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees, Plan
Administrator and Participants of
Universidad del Sagrado Corazón Pension Plan

Opinion

We have audited the financial statements of Universidad del Sagrado Corazón Pension Plan (the Plan), an employee benefit plan, which comprise the statements of net assets available for benefits as of June 30, 2025 (in liquidation) and 2024 (on going), and the related statements of changes in net assets available for benefits for the years ended June 30, 2025 (in liquidation) and 2024 (ongoing), 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 Universidad del Sagrado Corazón Pension Plan as of June 30, 2025 (in liquidation) and 2024 (ongoing), and the changes in net assets available for benefits for the years ended June 30, 2025 (in liquidation) and 2024 (ongoing), in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Universidad del Sagrado Corazón Pension 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.

Emphasis of Matter – Terminating Plan and Liquidation Basis of Accounting

As further discussed in Note 3 to the financial statements, on May 29, 2025, the Board of Trustees of Universidad del Sagrado Corazon, (the Plan Sponsor), approved the purchase of a group annuity contract from an insurance company, with individual annuity certificates per participant to meet all benefits and expense obligations of the Plan, for a single premium amount of \$22,200,000. The insurance company assumed all obligation to make all future annuity payments to all Plan participants in accordance with terms and conditions stated in the Plan Document. On June 5, 2025, the Plan was amended to be terminated effective July 1, 2025, therefore the transaction was executed on July 1, 2025.

To the Board of Trustees, Plan's
Administrator and Participants of
Universidad del Sagrado Corazón Pension Plan
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Emphasis of Matter – Terminating Plan and Liquidation Basis of Accounting – (continued)

In accordance with accounting principles generally accepted in the United States of America, the Plan changed its basis of accounting from the ongoing plan basis used in presenting the 2024 financial statements to the liquidation basis used in presenting the 2025 financial statements. Our opinion is not modified with respect to this matter.

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.

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.

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

Auditors' Responsibilities for the Audit of the Financial Statements – (continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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.

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.

Supplemental Schedule

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule of Assets (Held at End of Year) as of June 30, 2025 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.



DLCC322-1716
Universidad del Sagrado Corazón Pension
Plan

Galíndez LLC

San Juan, Puerto Rico
November 13, 2025
License No. LLC-322
Expires December 1, 2026

Universidad del Sagrado Corazón Pension Plan

Statements of Net Assets Available for Benefits

June 30, 2025 and 2024

	2025 (In Liquidation)	2024 (Ongoing)
Assets		
Investments, at fair value:		
U.S. Government and agencies securities obligations	\$ -	\$ 1,997,115
Equity securities	-	12,233,621
Private equity funds	595,049	548,462
Corporate bonds and debentures	-	2,929,170
Mutual funds	-	1,285,236
Mortgage and asset-backed securities	-	2,108,794
Group annuity contract - at fair value	<u>39,687</u>	<u>38,301</u>
Total investments	<u>634,736</u>	<u>21,140,699</u>
Accrued interest and other receivables	52,012	66,997
Cash and cash equivalents	<u>19,665,033</u>	<u>650,886</u>
Total assets	20,351,781	21,858,582
Accrued administrative expenses	<u>(153,040)</u>	<u>(148,172)</u>
Net assets available for benefits	<u>\$ 20,198,741</u>	<u>\$ 21,710,410</u>

See notes to financial statements

Universidad del Sagrado Corazón Pension Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended June 30, 2025 and 2024

	2025 (In Liquidation)	2024 (Ongoing)
Additions		
Employer contributions	\$ 350,000	\$ 500,000
Investment income, net	907,048	503,901
Net appreciation in fair value of investments	743,090	1,562,543
Other income	<u>1,994</u>	<u>789</u>
Total additions	<u>2,002,132</u>	<u>2,567,233</u>
Deductions		
Benefits paid and contributions returned directly to participants	3,379,443	2,619,004
Administrative expenses	<u>134,358</u>	<u>129,064</u>
Total deductions	<u>3,513,801</u>	<u>2,748,068</u>
Net decrease	(1,511,669)	(180,835)
Net assets available for benefits - beginning of year	<u>21,710,410</u>	<u>21,891,245</u>
Net assets available for benefits - end of year	<u>\$ 20,198,741</u>	<u>\$ 21,710,410</u>

See notes to financial statements

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements

June 30, 2025 and 2024

Note 1 - Description of the Plan

The following description of the Universidad del Sagrado Corazón Pension Plan (the Plan) is provided for general information purposes only. More complete information is available in the Plan Document.

General

The Universidad del Sagrado Corazón (the University or Plan Sponsor) sponsors a contributory defined benefit pension plan, the Universidad del Sagrado Corazón Pension Plan (the Plan), as defined by Internal Revenue Code § 401(a)(9)(C)(iv). The assets of the Plan are held in a trust fund created by the University pursuant to a certain deed of trust. The benefits are based on years of service and the employees' compensation. Prior to July 1, 2020, the University's funding policy was to make contributions to the Plan equal to the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

During the year ended June 30, 2006, the University's Board of Trustees resolved to freeze the Plan effective October 31, 2006, subject to the provisions set forth in ERISA. This implies that the participants shall not accrue benefits while the Plan continues in existence.

The Administrative Committee is the Plan's administrator and fiduciary with duties and functions specified in the Plan Document. The Administrative Committee establishes, manages and supervises the trust fund's investments and, together with the University, appointed an investment advisor provided that such powers and authorities are delegated to the Board of Trustees' Finance and Investment Committee. Banco Popular de Puerto Rico serves as the Trustee of the Plan. Fees incurred by the Plan for the investment management services of the Trustee for the years ended June 30, 2025 and 2024 were \$46,798 and \$50,298, respectively.

Until July 2016, the Plan was administered under the belief that certain benefits were insured by the Pension Benefit Guaranty Corporation (PBGC). Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, in July 2016, the PBGC issued a determination to the effect that the Plan is not covered by Title IV of ERISA, because the Plan does not meet the requirements of ERISA §4021.

In 2017, the United States Supreme Court (the Supreme Court) held that ERISA does not apply to certain pension plans that are "church plans" and clarified the scope of this exemption. The Supreme Court interpreted that ERISA exempts plans established by a church and also certain plans sponsored or established by organizations controlled by or affiliated with a church. During the year ended June 30, 2020, the University evaluated the history of the University, governance documents (statutes and deeds), documents related to the Plan (the Plan Document and the determination

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 1 - Description of the Plan – (continued)

General – (continued)

letters issued by the Puerto Rico Department of Treasury and the PBGC, and the pertinent federal jurisprudence). The University, with the advice of legal counsel, concluded that the Plan is and has always been by provision of law, a “church plan”, as defined by 29 U.S. Code § 1002 (33) and is exempt from ERISA.

The Plan was amended and reaffirmed effective July 1, 2020, to remove references to the PBGC and ERISA. These amendments did not affect the provisions regarding the computation of Plan benefits.

Effective on April 1, 2025, the Board of Trustees resolved and approved to amend the Plan to add a temporary window provision that would require that terminated vested participants receive a distribution of their deferred vested benefit by June 30, 2025. The Board of Trustees resolved and approved to amend the Plan effective July 1, 2025, to: (1) terminate the Plan, and (2) transfer the assets and liabilities to Universal Life Insurance Company for all active participants and in-payment participants.

Pension Benefits

The Plan Document establishes that participants are eligible for the following benefits:

Normal Retirement Benefit – Participants who have attained age 65 years and completed at least 5 years of service are eligible for a monthly annuity for life determined by application of a benefit percentage to the average basic compensation times years of service.

Early Retirement Benefit – Participants who are 55 years of age and have completed at least 25 years of service are eligible to receive a monthly annuity for life without reduction determined by application of a benefit percentage to the average basic compensation times years of service. Participants who are 55 years of age and have completed at least 5 years of service are eligible to receive a monthly annuity for life reduced by a determined percentage of the normal retirement benefit.

Other Benefits – Participants leaving the Plan before becoming eligible for benefit payments forfeit the right to receive the portion of their accumulated plan benefits attributable to the University’s contributions and are only entitled to recover their contributions and allocable interest. Participants may also be eligible for other benefits, such as deferred vested retirement benefit, death, and disability retirement benefit.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 1 - Description of the Plan – (continued)

Pension Benefits – (continued)

Benefits under the Plan are based on the employee's average final compensation defined as a participant's aggregate compensation for the 5 consecutive calendar years in which his compensation is highest during his last 10 calendar years of employment, divided by 5, provided that, if he has been an employee for less than 5 consecutive years, his average final compensation shall be based upon his aggregate compensation for the calendar years during which he was an employee.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

As a result of the Plan's termination, the financial statements as of and for the year ended June 30, 2025 have been prepared under the liquidation basis of accounting. The financial statements as of June 30, 2024 have been prepared under the accrual (ongoing) basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk 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 at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would-be material to the financial statements.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies – (continued)

Investment Valuation

The Plan's investments are stated at fair market 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. Refer to Note 5 for fair value measurements.

Purchases and sales of investment units are reflected on a trade date basis. Income is recorded as earned on an accrual basis.

In accordance with the policy of stating investments at fair market value, net unrealized appreciation (depreciation) on investments for the year is reflected in the statements of changes in net assets available for benefits. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Management fees and operating expenses charged to the Plan for certain investments are deducted from income earned daily and are not separately reflected. Consequently, these management fees and operating expenses are reflected as a reduction of investment return for such investments.

Payment of Benefits

Benefit payments to participants are recorded upon distributions.

Administrative Expenses

Administrative expenses of the Plan related to recordkeeping, actuarial expenses and consulting are paid by the Plan, as provided in the Plan document. The Plan Sponsor provides accounting and other administrative services to the Plan at no charge.

Note 3 - Plan Termination

The Board of Trustees authorized the purchase of a group annuity from Universal Life Insurance Company to meet all benefits and expense obligations of the Pension Plan, for a single premium amount of \$22,200,000. Universal Life Insurance Company issued individual annuity certificates for all active and in-payment participants and assumed all liabilities and obligations to continue making all present payments to in-payment participants and to make future payments to active participants and their beneficiaries in accordance with terms and conditions stated in the Plan Document. The transaction was executed on July 1, 2025, and was financed with the liquidation of all plan assets amounting to \$19,590,206 and a contribution made by the University amounting to \$2,609,794.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 4 - Funding

Prior to October 1, 2006, as a condition of participation, employees were required to contribute toward the cost of their benefits as follows:

- 1% of the first \$4,800 of their annual salary, plus
- 3% of the next \$9,600 of their annual salary, plus
- 4% of their annual salary in excess of \$14,400.

The Plan was frozen effective October 31, 2006, at which time the Plan did not allow for new participants or for additional mandatory contributions from the participants and froze the further accrual of benefits.

Prior to the restatement of the Plan as a church plan that is not subject to the ERISA, the University's funding policy was to make cash contributions to the Plan equal to the minimum funding requirements of the ERISA. However, this policy did not limit the University's right to contribute any additional amounts at its discretion to fund the cost of the death and retirement benefits provided by the Plan and to pay certain expenses of the Plan.

After the restatement of the Plan as a church plan that is not subject to ERISA, the Plan established a Funding Statement and Guidelines that became effective March 15, 2022. Pursuant to this Statement, it is the University's intent to contribute to the Plan with the objective of achieving, to the extent possible, that all the benefits contemplated in the Plan be paid to the Plan's participants in accordance with the Plan's terms and conditions.

Pursuant to the terms on the Plan Document, the Plan's Administrative Committee will request the Plan's actuaries to calculate the annual funding necessary to accomplish such intention under alternative time scenarios and assumptions. The University then makes a determination on its funding contributions.

The University elected to contribute \$350,000 and \$500,000 for the years ended June 30, 2025 and 2024, respectively.

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Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 5 - Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, establishes a 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan can access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• 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 quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024:

Money market funds and deposits – Money market funds and deposits are valued at cost, plus accrued interest, which approximates fair value. These investments are classified as Level 1.

Mutual funds are valued at net asset value (NAV) of shares held by the Plan at year end. These securities are classified as Level 1.

Equity securities – Valued at the closing price reported on the active market on which the individual securities are traded. These securities are classified as Level 1.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 5 - Fair Value Measurements – (continued)

Mortgage and asset-backed securities — Fair value for these securities is obtained from third-party pricing service providers. Market inputs used in the evaluation process include all or some of the following: reported trades, benchmark securities, bid/offer price or spread, two sided markets, broker/dealers quotes, benchmark curves including but not limited to Treasury benchmarks, swap curves, discount rates, market data feeds from commercial data vendors, loan level information, investor reports, prepayment speeds and trustee reports. These securities are classified as Level 2.

Corporate bonds and debentures and U.S. Government and agencies securities obligations — The fair value for these securities is obtained from third-party pricing service providers that use a pricing methodology based on an active exchange market and quoted market prices for similar securities. These securities are classified as Level 2.

Group annuity contract is valued at fair value which equals contract value. These securities are classified as Level 2.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 4 - Fair Value Measurements – (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2025 and 2024:

Assets at Fair Value as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
Money market	\$ 19,665,033	\$ -	\$ -	\$ 19,665,033
Group annuity contract	-	39,687	-	39,687
Total assets at fair value	<u>\$ 19,665,033</u>	<u>\$ 39,687</u>	<u>\$ -</u>	<u>\$ 19,704,720</u>
Assets at Fair Value as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
U.S. Government and agencies securities obligations	\$ -	\$ 1,997,115	\$ -	\$ 1,997,115
Equity securities	12,233,621	-	-	12,233,621
Corporate bonds and debentures	-	2,929,170	-	2,929,170
Mutual funds	1,285,236	-	-	1,285,236
Mortgage and asset-backed securities	-	2,108,794	-	2,108,794
Group annuity contract	-	38,301	-	38,301
Total assets at fair value	<u>\$ 13,518,857</u>	<u>\$ 7,073,380</u>	<u>\$ -</u>	<u>\$ 20,592,237</u>

Private equity funds are investments without readily determinable fair values and are valued at NAV, as a practical expedient for fair value. The fair value, unfunded commitments and redemption frequencies for investments without readily determinable fair values as of June 30, 2025 and 2024 consist of:

	2025	2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge Funds -					
Pluscios Master Fund, PSC	<u>\$ 595,049</u>	<u>\$ 548,462</u>	<u>\$ -</u>	Quarterly	Quarterly

These funds invest a substantial portion of its assets in the Pluscios Master Fund, PSC, an investment company that invests in other hedge funds.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 5 - Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died, and (3) present employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included to the extent they are deemed attributable to employee service rendered through the valuation date.

The actuarial present value of accumulated plan benefits is determined by an independent actuarial firm and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in determining accumulated plan benefits as of July 1, 2024 and 2023 were as follows:

- a) Assumed interest rate of 5% as of July 1, 2024 and 2023, respectively.
- b) Assumed permanent withdrawal from active status and disability rates based on published actuarial tables.
- c) Assumed mortality rate based on the Pri-2012 Total Dataset (Employee, and Retiree and Contingent Annuitant) amount-weighted Mortality with MP-2021 Scaling

Assumed participants meeting service requirements for normal or early retirement will retire at ages and percentages shown below:

Age	Probability of Retirement	
	Reduced Benefits	Unreduced Benefits
55-59	.01	.05
60-61	.02	.05
62	.05	.25
63	.02	.20
64	.02	.20
65	1.00	1.00

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 5 - Actuarial Present Value of Accumulated Plan Benefits – (continued)

The foregoing actuarial assumptions as of July 1, 2024 were based on the presumption that the Plan will continue. As a result of the Plan's termination, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits as of July 1, 2025.

The actuarial present value of accumulated plan benefits as of July 1, 2024 and 2023 has been determined by an actuary as follows:

	<u>2024</u>	<u>2023</u>
Vested benefits:		
Participants and/or beneficiaries currently receiving benefits	\$ 24,330,900	\$ 24,892,780
Other participants	<u>5,373,660</u>	<u>5,741,643</u>
Total vested benefits	29,704,560	30,634,423
Nonvested benefits	<u>42,447</u>	<u>47,279</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 29,747,007</u>	<u>\$ 30,681,702</u>

The changes in the actuarial present value of the accumulated plan benefits for the years ended July 1, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Actuarial present value of accumulated Plan benefits at beginning of year	\$ 30,681,702	\$ 31,693,945
Increase (decrease) during the Plan year attributable to:		
Interest	1,469,409	1,521,457
Benefits accumulated and actuarial gains and losses	-	-
Benefits paid	(2,619,004)	(2,560,863)
Changes in actuarial assumptions	<u>214,900</u>	<u>27,163</u>
Actuarial present value of accumulated Plan benefits at end of year	<u>\$ 29,747,007</u>	<u>\$ 30,681,702</u>

Note 6 - Income Tax Status

The Plan has obtained its latest determination letter on July 29, 2022, wherein the Puerto Rico Department of Treasury stated that the Plan, as designed, is exempt under the provisions of Section 1081.01 of the 2011 Puerto Rico Internal Revenue Code (Puerto Rico Code), as amended.

Universidad del Sagrado Corazón Pension Plan

Notes to Financial Statements – (Continued)

June 30, 2025 and 2024

Note 6 - Income Tax Status – (continued)

U.S. GAAP requires the Plan to evaluate uncertain tax positions. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the tax authorities. The Plan has concluded that as of June 30, 2025 and 2024, there were no uncertain tax positions taken or expected to be taken. The Plan is subject to routine audits by taxing jurisdictions and regulators; however, there are currently no audits for any tax periods in progress.

Note 7 - Subsequent Events

The Administrative Committee has evaluated subsequent events through November 13, 2025, which is the date the financial statements were available to be issued. Except for Note 1 and Note 3, there were no other material subsequent events that have occurred since June 30, 2025, that would require recognition or disclosure in the financial statements.

Universidad del Sagrado Corazón Pension Plan

Schedule of Assets (Held at End of Year)

June 30, 2025

(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
<u>CASH AND CASH EQUIVALENTS:</u>			
BPPR Time Deposit Account	Money Market - 19,665,033 Shares	\$ 19,665,033	\$ 19,665,033
<u>PRIVATE EQUITY FUNDS:</u>			
Pluscios fund		\$ 400,000	\$ 595,049
<u>GROUP ANNUITY CONTRACTS</u>			
AXA Equitable Life Insurance Company	Group annuity contract	\$ 39,687	\$ 39,687