THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.

FALL RIVER, MASSACHUSETTS

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

JUNE 30, 2025 AND 2024

LIVINGSTON & HAYNES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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Established 1936

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Catholic Foundation of Southeastern Massachusetts, Inc.
Fall River, Massachusetts

Opinion
We have audited the accompanying financial statements of The Catholic Foundation of Southeastern Massachusetts, Inc. (a nonprofit organization) ("the Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, 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 The Catholic Foundation of Southeastern Massachusetts, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 misstatement, 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 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 judgement 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 Organization'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 Organization'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.

Livingston + Haynes, P.C.

Wellesley, Massachusetts
December 4, 2025

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
Cash and cash equivalents	$ 2,090,033	$ 1,117,278
Accrued interest and dividends receivable	4,591	7,676
Due from related parties	33,958	225,252
Other receivables	-	46
Operating investments, at fair value	1,792,219	1,630,273
Property and equipment, net of accumulated depreciation of $5,345 and $4,417, respectively	3,951	4,879
Intangible assets, net of accumulated amortization of $14,025	-	-
Long-term investments, at fair value	798,356	747,079
TOTAL ASSETS	$ 4,723,108	$ 3,732,483

LIABILITIES AND NET ASSETS

	2025	2024
Accounts payable and accrued expenses	$ 30,730	$ 55,861
Due to related parties	469,963	1,279
TOTAL LIABILITIES	500,693	57,140
Net assets:		
Without donor restrictions	1,612,441	1,490,704
With donor restrictions	2,609,974	2,184,639
TOTAL NET ASSETS	4,222,415	3,675,343
TOTAL LIABILITIES AND NET ASSETS	$ 4,723,108	$ 3,732,483

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:						
Contributions of cash and other financial assets	$ 270,806	$ 3,773,778	$ 4,044,584	$ 335,076	$ 2,048,920	$ 2,383,996
Special events	-	385,490	385,490	-	257,390	257,390
Contributions of nonfinancial assets	-	-	-	2,677	-	2,677
Program service fees	991,547	-	991,547	932,006	-	932,006
Investment advisory fees	105,179	-	105,179	101,770	-	101,770
Other income	113,299	-	113,299	15,409	-	15,409
Investment return, net	211,705	77,153	288,858	265,691	113,772	379,463
Net assets released from restrictions	3,811,086	(3,811,086)	-	1,838,074	(1,838,074)	-
TOTAL REVENUE AND OTHER SUPPORT	5,503,622	425,335	5,928,957	3,490,703	582,008	4,072,711
Expenses:						
Program services	4,875,223	-	4,875,223	2,830,868	-	2,830,868
Supporting services:						
Fundraising	141,338	-	141,338	167,747	-	167,747
Management and general	365,324	-	365,324	379,341	-	379,341
TOTAL SUPPORTING SERVICES	506,662	-	506,662	547,088	-	547,088
TOTAL EXPENSES	5,381,885	-	5,381,885	3,377,956	-	3,377,956
CHANGES IN NET ASSETS	121,737	425,335	547,072	112,747	582,008	694,755
Net assets at beginning of year	1,490,704	2,184,639	3,675,343	1,377,957	1,602,631	2,980,588
NET ASSETS AT END OF YEAR	$ 1,612,441	$ 2,609,974	$ 4,222,415	$ 1,490,704	$ 2,184,639	$ 3,675,343

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

2025

	PROGRAM SERVICES	SUPPORTING SERVICES: Fundraising	SUPPORTING SERVICES: Management and General	SUPPORTING SERVICES: Total Supporting Services	Total
Related party services	$ 633,045	$ 90,435	$ 180,870	$ 271,305	$ 904,350
Marketing and promotion	990	-	-	-	990
Professional fees	408,377	-	143,441	143,441	551,818
Grants	3,743,683	-	-	-	3,743,683
Depreciation and amortization	-	-	928	928	928
Office expense	58,282	-	4,339	4,339	62,621
Fundraising events	-	50,903	-	50,903	50,903
Meals and entertainment	-	-	2,701	2,701	2,701
Travel	-	-	5,622	5,622	5,622
Occupancy	-	-	-	-	-
Miscellaneous	30,846	-	27,423	27,423	58,269
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	$ 4,875,223	$ 141,338	$ 365,324	$ 506,662	$ 5,381,885

2024

	PROGRAM SERVICES	SUPPORTING SERVICES: Fundraising	SUPPORTING SERVICES: Management and General	SUPPORTING SERVICES: Total Supporting Services	Total
Related party services	$ 658,595	$ 94,086	$ 188,171	$ 282,257	$ 940,852
Marketing and promotion	150	-	-	-	150
Professional fees	302,517	-	145,733	145,733	448,250
Grants	1,769,948	-	-	-	1,769,948
Depreciation and amortization	-	-	930	930	930
Office expense	82,648	36	5,430	5,466	88,114
Fundraising events	-	73,625	-	73,625	73,625
Meals and entertainment	2,677	-	3,797	3,797	6,474
Travel	-	-	7,397	7,397	7,397
Occupancy	-	-	65	65	65
Miscellaneous	14,333	-	27,818	27,818	42,151
TOTAL EXPENSES AS PRESENTED ON THE STATEMENTS OF ACTIVITIES	$ 2,830,868	$ 167,747	$ 379,341	$ 547,088	$ 3,377,956

See accompanying notes to financial statements.

THE CATHOLIC FOUNDATION OF SOUTHEASTERN MASSACHUSETTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Changes in net assets	$ 547,072	$ 694,755
Adjustments to reconcile changes in net assets to		
to net cash provided (used) by operating activities:		
Depreciation and amortization	928	930
Net realized (gains) losses on sale of investments	(59,441)	(20,789)
Net unrealized (gains) losses on investments	(130,864)	(284,983)
(Increase) decrease in assets:		
Accrued interest and dividends receivable	3,085	128
Due from related parties	191,294	(225,252)
Other receivables	46	2,148
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(25,131)	55,861
Due to related parties	468,684	(360,816)
TOTAL ADJUSTMENTS	448,601	(832,773)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	995,673	(138,018)
Cash flows from investing activities:		
Proceeds from sale of investments	730,545	340,629
Purchases of investments	(753,463)	(369,527)
NET CASH USED BY INVESTING ACTIVITIES	(22,918)	(28,898)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	972,755	(166,916)
Cash and cash equivalents at beginning of yeaı	1,117,278	1,284,194
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,090,033	$ 1,117,278

	2025	2024
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes	$ -	$ -
Interest	$ -	$ -
Noncash donated marketable equity securities	$ 834,525	$ 345,454

See accompanying notes to financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Catholic Foundation of Southeastern Massachusetts, Inc. ("the Organization") is a non-profit corporation located in Fall River, Massachusetts. The Organization's purpose is to raise, manage and distribute philanthropic funds to provide long-term, sustainable support for the parishes, schools and ministries across the Roman Catholic Bishop of Fall River ("the Diocese").

The significant accounting policies followed by the Organization are described below.

Accrual Basis

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor-imposed stipulations.
>
> *Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulations or law. Expirations of time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets as net assets released from restrictions.

Special events revenue is generated from a fundraising dinner to raise funds for a related entity. The Organization has chosen not to break out separately the exchange portion of the special events revenue. The cost of the direct benefits to the donor is netted with the special events revenue when it is considered material.

Revenue Recognition and Operations

Under accounting standards, revenue may be earned under exchange transactions or contribution transactions as follows:

Earned Support

Exchange transactions are measured via a principles-based process that requires the entity: 1) identify the contract with the customer; 2) identify the performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to the performance obligations; and 5) recognize revenue when (or as) performance obligations are satisfied. Exchange transaction revenues are under arrangements that are one year or less in length.

The Organization's program service fees are derived from providing various types of services to related entities in the Diocese to raise, manage and distribute philanthropic funds. The services provided by the Organization are usually annual contracts that follow the Organization’s fiscal year.

In order to recognize revenue from the program service fees, the Organization identifies the related party’s contract, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to the performance obligations in the contract, and recognizes revenue when or as the Organization satisfies a performance obligation.

The Organization’s program service fees are recognized over the contract period as the performance obligations in the contract are provided to the related entities. For the years ended June 30, 2025 and 2024, the Organization recognized revenue of $991,547 and $932,006, respectively, from services that transfer to the various related parties over the contract period of time.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Operations (Continued)

Earned Support (Continued)

The opening and closing contracted balances were as follows:

	Due from Related Parties
Balance as of July 1, 2023	$-0-
Balance as of June 30, 2024	$537,500
Balance as of June 30, 2025	$ 83,958

The Organization also charges an investment advisory fee based on the amount of assets under management to certain related entities in the Diocese to manage their investments. These fees for the years ended June 30, 2025 and 2024 were $105,179 and $101,770, respectively, and are included as investment advisory fees in the statements of activities. Revenue is recognized over a period of time as the investment advisory services are provided.

Contributed Support

Grants and contributions are considered contributed support. In connection with conditional grants and other conditional funding for which the funding sources have a right of return or right of release, the Organization recognizes the related revenue after it has overcome any applicable barriers thereby entitling the Organization to the assets transferred or promised. Amounts received prior to overcoming the applicable barriers are reported as deferred revenues in the statements of financial position.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be used to acquire property and equipment are reported as revenue of the net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets. Contributions of financial assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable would be provided based upon management’s judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Operations (Continued)

Contributions of Nonfinancial Assets

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the operations, office duties and fundraising. Contributed services are recognized at standard per-diem rates if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

Contributions of other nonfinancial assets are recorded at their estimated fair value. During the year ended June 30, 2025, the Organization did not receive any contributions of nonfinancial assets. During the year ended June 30, 2024, the Organization received contributions of nonfinancial assets which consisted of meal expenses for a dinner held to cultivate donors for a capital campaign that the Organization was running for one of the parishes within the Diocese.

The Organization’s policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The total contributions of nonfinancial assets received during the years ended June 30, 2025 and 2024 for meal expenses were $-0- and $2,677, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include related party services which are allocated on the basis of estimates of time and effort.

Grants

All appropriations for grants to other related entities in the Diocese are recorded as an expense in the year they are awarded.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in bank and short-term highly liquid investments with maturities at purchase of less than three months. The cash equivalents, included in Note D - Investments, are not considered cash and cash equivalents in the statements of cash flows since these amounts are managed by an outside investment advisor.

Investments

The Organization records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are determined based on various methods, including the average cost method, first-in first-out method, and specific identification method depending on the type of underlying fund. Interest and dividend income is recorded when earned. Investment return, net is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

The Organization utilizes various methods to measure the fair value of its investments on a recurring basis. Accounting principles generally accepted in the United States of America establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Assets utilizing Level 1 inputs include the Organization's cash equivalents, marketable equity securities and mutual funds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

Level 2 - Other significant observable inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from independent market sources. These observable inputs include quoted prices for similar investments, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset and liability. Assets utilizing Level 2 inputs include the Organization's marketable debt securities and certain marketable equity securities that are not actively traded . Valuations in this category are inherently less reliable than quoted market price due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 - Unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability based upon the best information available in the circumstances.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or, if donated, at the fair value on the date of the gift less accumulated depreciation and amortization. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. When an asset is retired or disposed of, the related costs and allowances for depreciation or amortization are removed from the accounts and any gain or loss on the disposition is reflected in the statements of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the statements of activities calculated to absorb the costs over the estimated useful lives of the assets.

The estimated useful lives of these assets are as follows:

Furniture and fixtures	10 years

Intangible Assets

Intangible assets consist of an external website developed by the Organization. The website is used by the Organization for advertising purposes only. The costs associated with the website application and infrastructure development of the website were capitalized and were amortized over a period of three years - the estimated useful life of the website.

Endowment Fund Investment and Spending Policies

The Organization's endowment funds consist of funds that are set aside as donor-restricted endowment funds. Presently, the Organization’s endowment only includes donor-restricted funds and does not include funds designated by the Board of Directors to function as endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund Investment and Spending Policies (Continued)

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the Commonwealth of Massachusetts and its own governing documents in the management and investment of its donor-restricted endowment funds. UPMIFA eliminated the concept of historic dollar value threshold, the amount below which an organization could not spend from the fund, in favor of a more robust set of guidelines about what constitutes prudent spending. As required by UPMIFA, the Organization's policy is to follow the terms of their governing documents.

Under accounting principles generally accepted in the United States of America, the Organization is also required to include expanded disclosures for all donor-restricted endowment funds. These additional disclosures are found below and in Note F.

The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of 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 Organization classifies as net assets with donor restrictions (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. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds any distributions made with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, if needed, while growing the funds if possible.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Fund Investment and Spending Policies (Continued)

Investment Return Objectives, Risk Parameters, and Strategies (Continued)

Therefore, the Organization expects its endowment assets, over time, to earn a rate of return which exceeds the inflation rate plus the level of spending. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized), rather than current yield (interest and dividends). The Organization targets a diversified asset allocation that places an emphasis on equity investments to achieve its long-term return objectives within prudent risk parameters.

Spending Policy

The Organization adopted a spending policy of appropriating for distribution annually up to 75% of prior fiscal year earnings for all of its endowment funds. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow to exceed the inflation rate annually, which is consistent with the Organization’s objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

From time to time, certain donor-restricted funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Losses on the investments of donor-restricted endowment funds reduce net assets with donor restrictions. Subsequent gains that restore the value of the endowment fund to the required level are classified as an increase in net assets with donor restrictions.

Income Taxes

The Organization is classified as a public charity and exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(B) of the Code and has been classified as an organization that is not a private foundation under Section 509 (a)(2) of the Code.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization recognizes the tax benefit from any uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. Any tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. Management has analyzed the Organization's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open years (for years ended June 30, 2022 through June 30, 2024) or expected to be taken in the Organization's tax returns for the year ended June 30, 2025.

The Organization identifies its major tax jurisdictions as U.S. Federal and the Commonwealth of Massachusetts; however, the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Organization also follows the policy to recognize interest and penalties related to unrecognized tax benefits (if any) in income tax expense. No such interest and penalties have been recorded as of June 30, 2025 and 2024.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by them to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and amounts reported in the financial statements.

Intentions to Give

The Organization has received commitments from Board members, individual donors, and other nonprofit organizations to provide future funds to the Organization. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for the contribution once the intention to give is legally enforceable and the Organization is able to determine a fair value for the contribution.

The Organization is named as beneficiary in numerous wills and estates. The Organization deems these to be intentions to give and not unconditional promises to give. The Organization recognizes contribution revenue and a receivable for its interest in the estate based upon a probate court having declared an individual will to be valid and the Organization having the ability to determine the fair value of the estate.

NOTE B - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, the Organization awarded grants of $3,743,683 and $1,769,948, respectively, to the Diocese and related Diocesan entities, which are included in program services expenses in the statements of activities. At June 30, 2025 and 2024 the Organization owed the Diocese and various other Diocesan entities $202,111 and $1,279, respectively. The unpaid amounts from these transactions are netted on the statements of financial position and included in due from related parties or due to related parties depending upon the netted balance at year end. These are shown net due to the legal right of offset.

During the years ended June 30, 2025 and 2024, the Organization held funds in three accounts with a bank for which one of the officers of the Organization is the President of the bank. The Organization also has five investment portfolios with an investment management company that is 80% owned by the same bank. During the years ended June 30, 2025 and 2024, the Organization paid investment management fees to this company of $7,518 and $6,731, respectively.

During the years ended June 30, 2025 and 2024, the Organization held fundraising events at an establishment that is owned by a Board member. The Organization incurred expenses of $28,850 and $30,077, respectively, which is included in fundraising events on the statements of functional expenses. At June 30, 2025 and 2024, the Organization owed $28,850 and $30,077, respectively, which are included in accounts payable and accrued expenses on the statements of financial position.

Diocese

During the years ended June 30, 2025 and 2024, certain employees of the Diocese performed services for the Organization. The Organization is required to reimburse the Diocese for the expenses associated with these services. The value of these services for the years ended June 30, 2025 and 2024 was $904,350 and $940,852, respectively, which are included in related party services on the statements of functional expenses. The Organization owes $317,852 and $311,723, respectively, for these services at June 30, 2025 and 2024. In addition, the Organization signed a service agreement with the Diocese to have other Diocesan employees perform services for the Organization. The value of these services for the years ended June 30, 2025 and 2024 was $75,000 which is included in professional fees on the statements of functional expenses.

During the years ended June 30, 2025 and 2024, the Organization signed a service agreement with the Diocese to provide the Diocese professional services. The value of these services provided for the years ended June 30, 2025 and 2024 was $500,000 and are included on the statements of activities as program service fees. At June 30, 2025 and 2024, the Diocese owed $-0- and $375,000 to the Organization, respectively, for these services.

During the year ended June 30, 2025, the Organization paid for a feasibility study on behalf of the Diocese. The value of the services was $97,099, which is included in other income on the statements of activities.

During the year ended June 30, 2024, the Organization deposited $525 that was intended for the Diocese and not the Organization. The amount is owed back to the Diocese.

NOTE B - RELATED PARTY TRANSACTIONS (Continued)

Diocese (Continued)

The unpaid amounts from these transactions are netted on the statements of financial position and included in due from related parties or due to related parties depending upon the netted balance at year end. These are shown net due to the legal right of offset.

Other Diocesan Related Entities

During the years ended June 30, 2025 and 2024, the Organization signed service agreements with other Diocesan related entities to provide these entities professional services. The value of these services provided for the years ended June 30, 2025 and 2024 was $491,547 and $432,006, respectively, and are included on the statements of activities as program service fees. At June 30, 2025 and 2024, these entities owed $83,958 and $162,500 to the Organization, respectively, for these services. The unpaid amounts from these transactions are netted on the statements of financial position and included in due from related parties or due to related parties depending upon the netted balance at year end. These are shown net due to the legal right of offset.

One of the signed service agreements is with an organization whose Executive Director is related to the Organization's Executive Director. The value of that service agreement at June 30, 2025 and 2024 is $50,000.

During the years ended June 30, 2025 and 2024, the Organization received investment advisory fees from various entities within the Diocese for managing their investments. These investment advisory fees totaled $105,179 and $101,770, respectively, and are included on the statements of activities as investment advisory fees. At June 30, 2025 and 2024, the Organization was not owed any amount for these services from the entities.

NOTE C - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in various financial institutions' deposit accounts which, at times, may exceed federally insured limits. As of June 30, 2025 and 2024, the Organization had funds on deposit with one financial institution in excess of the federally insured limit by approximately $1,851,900 and $929,800, respectively. However, this financial institution is a bank that maintains additional insurance covering all deposits in full through the Depositors Insurance Fund ("DIF"), a private, industry-sponsored fund owned by the member banks. Thus, all of the $1,851,900 and $929,800, respectively, is covered by DIF at June 30, 2025 and 2024. The Organization has not experienced any losses in such accounts, and does not believe it is exposed to any significant credit risk on cash.

The Organization received contributions representing 32% of its total contribution revenue during the year ended June 30, 2025 from two donors.

The Organization received contributions representing 49% of its total contribution revenue during the year ended June 30, 2024 from four donors.

NOTE C - CONCENTRATION OF CREDIT RISK (Continued)

All of the Organization's program service fees and investment advisory fees for the years ended June 30, 2025 and 2024 were received from the Diocese and related other Diocesan entities.

NOTE D - INVESTMENTS

Investments, at fair values, are classified in the statements of financial position as follows:

	2025	2024
Operating investments, at fair value	$ 1,792,219	$ 1,630,273
Long-term investments, at fair value	798,356	747,079
	$ 2,590,575	$ 2,377,352

The investments, as classified above, are comprised of the following:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash equivalents	$ 282,991	$ 284,654	$ 165,755	$ 165,533
Mutual funds	343,543	369,554	282,691	277,330
Marketable debt securities	282,353	294,866	368,546	369,434
Marketable equity securities	1,183,508	1,641,501	1,193,044	1,565,055
	$ 2,092,395	$ 2,590,575	$ 2,010,036	$ 2,377,352

NOTE D - INVESTMENTS (Continued)

Investment return, net consists of the following:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 89,973	$ 16,098	$ 106,071
Realized gains on investments	34,439	25,002	59,441
Unrealized gains on investments	92,466	38,398	130,864
Investment advisory fees	(5,173)	(2,345)	(7,518)
Total investment return, net	$ 211,705	$ 77,153	$ 288,858

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 64,836	$ 15,586	$ 80,422
Realized gains on investments	11,297	9,492	20,789
Unrealized gains on investments	194,164	90,819	284,983
Investment advisory fees	(4,606)	(2,125)	(6,731)
Total investment return, net	$ 265,691	$ 113,772	$ 379,463

NOTE D - INVESTMENTS (Continued)

The following tables summarize inputs used in determining the fair valuation of the Organization's investments at June 30, 2025 and 2024:

	2025			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 284,654	$ -	$ -	$ 284,654
Mutual funds:				
Fixed income	190,895	-	-	190,895
Equity - international stock	178,659	-	-	178,659
Total mutual funds	369,554	-	-	369,554
Marketable debt securities:				
Corporate obligations	-	294,866	-	294,866
Total marketable debt securities	-	294,866	-	294,866
Marketable equity securities:				
Consumer discretionary	156,596	-	-	156,596
Consumer staples	84,760	-	-	84,760
Energy	37,298	-	-	37,298
Financials	228,355	18,817	-	247,172
Health care	137,848	-	-	137,848
Industrials	134,367	-	-	134,367
Information technology	507,653	-	-	507,653
Materials	21,113	-	-	21,113
Communication services	166,689	-	-	166,689
Utilities	41,602	-	-	41,602
Real estate	35,479	13,356	-	48,835
Exchange traded funds	57,568	-	-	57,568
Total marketable equity securities	1,609,328	32,173	-	1,641,501
	$ 2,263,536	$ 327,039	$ -	$ 2,590,575

NOTE D - INVESTMENTS (Continued)

	2024			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 165,533	$ -	$ -	$ 165,533
Mutual funds:				
Fixed income	115,430	-	-	115,430
Equity - international stock	161,900	-	-	161,900
Total mutual funds	277,330	-	-	277,330
Marketable debt securities:				
Corporate obligations	-	369,434	-	369,434
Total marketable debt securities	-	369,434	-	369,434
Marketable equity securities:				
Consumer discretionary	147,802	-	-	147,802
Consumer staples	97,785	-	-	97,785
Energy	56,497	-	-	56,497
Financials	163,041	55,244	-	218,285
Health care	152,370	-	-	152,370
Industrials	116,525	-	-	116,525
Information technology	447,487	-	-	447,487
Materials	21,941	-	-	21,941
Communication services	151,348	-	-	151,348
Utilities	42,486	-	-	42,486
Real estate	33,271	27,265	-	60,536
Exchange traded funds	51,993	-	-	51,993
Total marketable equity securities	1,482,546	82,509	-	1,565,055
	$ 1,925,409	$ 451,943	$ -	$ 2,377,352

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2025 and 2024, net assets with donor restrictions consist of funds received from donors that are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose:		
Cathedral Camp	$ 786,494	$ 450,000
Math education initiative	3	3
Personalized learning initiative	-	1,499
Tending the Flock	436,000	-
Empowering tomorrow initiative	104,382	461,715
Catholic Charities of Fall River	45,155	36,311
St. Mary's Cathedral	425,280	315,177
St. Mary's Nantucket	250	153,650
St. Clare's Residential Home	7,522	13,312
St. Mary Catherine fellowship	1,000	1,000
Bishop Feehan High School	-	1,980
Strengthening our schools	4,249	600
Covid-19 emergency fund	-	5
	1,810,335	1,435,252
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for:		
Good Shepherd Parish	107,495	81,384
St. Vincent de Paul Society of Our Lady of Mount Carmel Parish	1,978	583
St. Mary's, Our Lady of the Isle Parish for physical plant improvements	12,680	5,606
Seminarian education	59,862	44,190
	182,015	131,763

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	2025	2024
Subject to the Organization's endowment spending policy and appropriation:		
Good Shepherd Parish	$ 407,149	$ 407,149
St. Vincent de Paul Society of Our Lady of Mount Carmel Parish	10,000	10,000
St. Mary's, Our Lady of the Isle Parish for physical plant improvements	50,000	50,000
Seminarian education	150,475	150,475
	617,624	617,624
Total endowments	799,639	749,387
	$ 2,609,974	$ 2,184,639

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors are as follows for the years ended June 30, 2025 and 2024:

	2025	2024
Good Shepherd Parish	$ 20,500	$ 10,000
Cathedral Camp	224,006	4,500
Foundation to Advance Catholic Education, Inc	206,491	100,500
Diocese	255,774	213,495
Bishop Stang High School	3,000	13,000
Math education initiative	-	14,388
Personalized learning initiative	1,499	3,467
Empowering tomorrow initiative	357,332	442,610
Holy Redeemer Parish	955	18,077
Catholic Charities of Fall River	71,156	77,189
St. Francis Xavier Parish	12,223	13,721
Bishop Feehan High School	99,317	26,792
Strengthening our schools	46,351	49,400
Seminarian education	5,000	4,700
St. Joseph's House	-	1,650
Our Lady of Victory	361,131	20,231
St. Mary's Cathedral	275,388	217,784
St. Mary's, Our Lady of the Isle Parish	1,585,451	574,286
St. Pius	149,853	-
St. Lawrence Martyr	50,000	-
Other Diocesan entities	85,659	32,284
	$ 3,811,086	$ 1,838,074

NOTE F - ENDOWMENT

Endowment net asset composition by type of fund is as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ -	$ -	$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	617,624	617,624
Accumulated investment return, net	-	182,015	182,015
Total funds	$ -	$ 799,639	$ 799,639

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ -	$ -	$ -
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	617,624	617,624
Accumulated investment return, net	-	131,763	131,763
Total funds	$ -	$ 749,387	$ 749,387

NOTE F - ENDOWMENT (Continued)

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of June 30, 2023	$ -	$ 651,115	$ 651,115
Contributions	-	-	-
Investment return, net	-	113,772	113,772
Appropriation of endowment assets pursuant to spending-rate policy	-	(15,500)	(15,500)
Endowment net assets as of June 30, 2024	-	749,387	749,387
Contributions	-	-	-
Investment return, net	-	77,153	77,153
Appropriation of endowment assets pursuant to spending-rate policy	-	(26,901)	(26,901)
Endowment net assets as of June 30, 2025	$ -	$ 799,639	$ 799,639

NOTE G - INTANGIBLE ASSETS

At June 30, 2025 and 2024, intangible assets consist of:

	2025	2024
Website costs	$ 14,025	$ 14,025
Less: accumulated amortization of website costs	(14,025)	(14,025)
,	$ -	$ -

NOTE H - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal including cash and cash equivalents and investments.

NOTE H - LIQUIDITY AND AVAILABILITY (Continued)

For purposes of analyzing resources available to meet the general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing professional services and investment advisory services as well as the conduct of services undertaken to support those activities, to be general expenditures.

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 2,090,033	$ 1,117,278
Accrued interest and dividends receivable	4,591	7,676
Due from related parties	33,958	225,252
Other receivables	-	46
Operating investments, at fair value	1,792,219	1,630,273
Long-term investments, at fair value	798,356	747,079
	4,719,157	3,727,604
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	2,609,974	2,184,639
Financial assets available to meet general expenditures over the next twelve months	$ 2,109,183	$ 1,542,965

NOTE I - COMMITMENTS AND CONTINGENCIES

During the year ended June 30, 2025, the Organization entered into a contract with a direct mail fundraising company to assist with the mailings of the 2025 Catholic Charities Appeal. The contract was for a total of $186,012. As of June 30, 2025, $93,006 of the work had been completed, billed and paid for by the Organization. The remainder of the contract will be completed, billed, and paid for by the Organization during the fiscal year ending June 30, 2026.

During the year ended June 30, 2024, the Organization entered into a contract with a direct mail fundraising company to assist with the mailings of the 2024 Catholic Charities Appeal. The contract was for a total of $172,248. As of June 30, 2024, $86,124 of the work had been completed, billed and paid for by the Organization. The remainder of the contract was completed, billed, and paid for by the Organization during the fiscal year ended June 30, 2025.

NOTE I - COMMITMENTS AND CONTINGENCIES (Continued)

During the year ended June 30, 2023, the Organization entered into a three-year contract with a software company for the use of its donor management software. The contract is for a total of $153,000, which is payable in equal monthly installments of $4,250. As of June 30, 2025 and 2024, $127,500 and $76,500, respectively, had been completed, billed and paid for by the Organization.

NOTE J - SUBSEQUENT EVENTS

The Organization has evaluated the impact of all subsequent events through December 4, 2025, the date the financial statements were available to be issued, and has determined that there were no subsequent events requiring adjustment or disclosure in the financial statements.